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**accelerate
your ambition**

2019 Global Customer Experience Benchmarking Report

*Bridging the
artificial reality*



**Insights
driven by data**

‘2018 was the year when every contact center product announcement, every customer experience conference agenda and every enterprise customer care wish list *highlighted artificial intelligence*.

As it has for 20+ years, the *Dimension Data Global Customer Experience Benchmarking Report* examines where and how customer experience decision makers expect *artificial intelligence, together with analytics, personalization, robotic process automation, and digital integration, will reshape CX during the next five years.*

- *Sheila McGee-Smith*
(McGee-Smith Analytics)

‘The customer experience benchmarking report is as important a tool to analysts and solution providers as it is for customers. It allows us to validate our *collective thinking of what really is going on in customer care year to year.*

- *Nancy Jamison*
(Principal Analyst Customer Care, Frost & Sullivan)

2019

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Foreword

With the customer now unquestionably at the centre of organisational strategy, the spotlight is on customer experience (CX). Yet, the findings from this year's Global Customer Experience Benchmarking Report reveal something of an artificial reality: a gap between CX ambitions and truly customer-focused change. The bridge? An integrated CX strategy that's built from the outside in.

CX strategies: integration or fragmentation?

CX is recognised as the number one driver of digital transformation and the top strategic measurement for organisational performance.

The right CX approach can help organisations stand out from the competition and contribute to their commercial success. But those whose strategy and operating model are aligned to optimising CX are still in the minority.

There are several reasons for this. In many organisations, business units still manage their own CX efforts independently, so it's difficult to get that all-important single view of the customer and deliver a consistent experience.

At the same time, challenging operating conditions and legacy technology get in the way of making the leap of faith to true digital transformation. Without a cohesive CX strategy, organisations risk getting lost in the belief that having more channels is synonymous with superior customer engagement, instead of understanding the value of CX-driven channel integration. In this case, the addition of new digital channels will create more problems than solutions.

The relatively high levels of collaboration reported this year suggest that organisations recognise this and are moving in the right direction.

Building CX from the outside in

Successful CX strategies need fundamental CX design thinking. An interconnected strategy that reaches all areas of the organisation will go a long way to bridging the gap between where organisations think they are and what customers actually experience.

CX can work only if it's built from the outside in. First, design something that's relevant to customers. Then get everyone in the organisation on board.

This is what we're seeing among disruptors: those organisations revolutionising customer engagement. They're doing more than just revising their processes and points of contact – they're transforming their thinking and culture. They're displacing old ways of working and their associated inefficiencies. They're also recognising and incorporating the value of traditional customer interactions. While service, fulfilment, and marketing processes are largely digital, human interaction is brought in at the point where it's most valuable.

In this Global Customer Experience Benchmarking Report, we look at the key themes emerging from the findings and the questions they raise about bridging the artificial reality between 'saying' and 'doing'.

Customer analytics, artificial intelligence (AI), and digital integration were identified as the top factors that will reshape CX capabilities in the next five years. Right now, it seems organisations are pausing to take stock, and that's a good thing. More introspection and well-considered action can take CX from a perceived digital-only strategy to a company-wide approach to any level of customer engagement.

It may not be easy. But considering what's at stake, it will definitely be worth it.



Rob Allman

Group Senior Vice President, CX at Dimension Data

Rob is a global practitioner and thought leader in CX. For over 20 years, he's enabled organisations to transform and grow the value of their customer relationships.

7 key insights into the global CX landscape

1

CX transformation is recognised as important but it's not delivering expected returns.

Almost 9/10 see CX as a competitive differentiator

Only 10.9% have promoter-level CX rating

Benefits of improved CX capability:



- 87.2% believe CX increases customer loyalty.
- 68.1% say improved CX increases revenue/profits.
- 61.9% see increased employee engagement as the greatest benefit of CX.

2

Connected CX journeys show huge intent but there's limited channel integration.

Omnichannel strategy/connected customer journey a top three trend for empowering CX delivery in 2017

Yet only 8.4% have all channels connected

Focus is on evolving multichannel strategies:



- 54.1% say their multichannel strategy is evolving and includes a customer-focused digitalisation plan.
- Only 7.2% consider their omnichannel strategy to be robust with a clear value proposition and return criteria.
- 21.9% have no formal strategy defined.

3

Digitalisation benefits are obstructed by limited channel adoption.

56.9% indicate that customer awareness is the main factor affecting adoption.

63.2% consider customer demand as the strongest driver of digital transformation.



- 57.0% increase from 2017 in listing competitor pressure as a reason for digitalisation.
- 79.0% believe digital transformation will improve CX.
- 58.4% believe digital channels will reduce costs.

4

Robotic automation and AI are forecasted to be the go-to model for future-proofing CX.

Percentage of organisations advancing AI:



- Virtual assistants will quadruple to 61.5%.
- Proactive automation will triple to 59.8%.
- 59.8% will be leveraging IoT.

5

Customer analytics transforms into market intelligence.

No shortage of intelligence, but still no single view of the customer.

Analytics named top factor to reshape CX industry for fourth year running:



- Only 13.5% say their current analytics capability is optimised.
- 50.1% say their data analytics capability is growing.
- 8.5% say they're struggling with too much data.

6

Technology enablement - the gap between risk and readiness widens.

Analytics the top technology trend prioritised by CX teams.

Only 15.3% say their analytics systems will meet future needs.

Challenges affecting CX technology systems:

- 54.0% say legacy systems are restricting growth.
- 25.5% cite skill shortages as a key concern.
- 22.8% say their main focus is simply maintaining business as usual.
- 50.1% say they are restricted by budget.



7

Meaningful customer interactions depend on employee experience and workforce optimisation.

Customer satisfaction (CSAT) levels way below optimal.

Most organisations are failing to meet CSAT targets and CSAT is at a record low:



- 39.5% do not measure employee experience or employee engagement levels.
- 40.0% have recognised the need to adapt management techniques for the evolving workforce.
- 56.6% have adopted flexible working arrangements for employees.

01. CX transformation

CX is recognised as important but it's not delivering expected returns.



CX transformation: where organisation-wide design thinking wins

The importance of CX is growing



The artificial reality: organisations are not set up for change



CX: the real-world outcomes



For most, CX is not yet helping to differentiate

Organisation rating *of CX capability*:



Just **10.9%** say their customers *rate CX at a promoter level*

Customers are going digital, but organisations are slow to meet their needs

Collaboration in defining *and designing CX*:



Employee engagement is crucial, yet most see employee involvement in CX design as a reactive exercise.

Getting in shape: top factors voted to reshape CX in next 5 years



Redefine CX.

You need to transform... but how?

- Get commitment from all stakeholders.
- Have a clearly defined CX strategy and roadmap.
- Develop an analytical understanding of customer needs and user journeys.



We have the expertise to translate your strategic goals into a successful, CX-driven reality.

Time to commit to CX excellence

This year's results show there's significant support for CX at a strategic level. Almost nine out of ten organisations see CX as a competitive differentiator, and continue to attribute trust, loyalty, brand identity, and commercial performance to CX. CX transformation has centred around the increased scope of CX, and the capabilities presented through megatrends in social media, mobility, analytics, cloud, automation, and artificial intelligence.

However, certain findings point to the difficulty of translating strategic goals into successful CX outcomes: only 10.9% report receiving promoter-level CX ratings from their customers.

To remain relevant, organisations need to commit to a CX strategy, transform, and continue to adapt to a changing landscape. Siloed towers need to tumble. Integrated design thinking will win.

Organisations focused on a deep understanding of their customers are retaining and growing the value of their customer base. CX automation is front of mind, challenging traditional plans and thinking.



Meet our expert



Rob Allman

Group Senior Vice President, CX at Dimension Data

Rob is a global practitioner and thought leader in CX. For over 20 years, he's enabled organisations to transform and grow the value of their customer relationships.

Expert insights

Make it easy, make it personal

CX is a core differentiator only if you can make it happen. Recognising and stating its importance at a strategic level is necessary, but you need to create a culture that can take it forward.

Given the now widely accepted links between CX, customer loyalty, and commercial success, we can see why there's so much attention being paid to CX. If you want to stay relevant and be successful, you need to create experiences that customers want to repeat.



How can you reduce customer effort at all stages of the customer journey, not only when people contact you with queries?

How do you make it easier for customers to find you, buy from you, use your products and services, and then choose you again?

To answer these questions, everyone in the organisation must be tuned in to what customers are saying to you, either through direct feedback or telling behaviour. Reactive, silo-based operating structures will not facilitate this kind of culture.

Build your digital capability

Digital capability is fast becoming the lifeblood for engaging with customers.

In last year's report, we talked about how the world had formed a 'digital skin'. Now, the convergence of how we work, live, and play, combined with the emergence of digital marketplaces, is changing behaviours. Digital is now the lifeblood of customer engagement. Concierge services that offer personalised, on-demand CX across customers' platforms and channels of choice can enable increased engagement, but only if customers are digitally enabled to make use of these services.

Reimagine CX for the digital age

Digital technologies offer a foundation for displacing legacy technologies and processes. More profoundly, they're challenging our legacy thinking.

We can now imagine and design CX processes that are essentially digital, with human interaction being brought in to play a high-value role at appropriate points.

This requires a reimagining of every element of CX, from evaluating the role that the contact centre can play in a digital world to determining where skilled human agents would be best placed alongside robotics and artificial intelligence (AI) to add value to a customer interaction.

Native digital organisations start with designing an essentially 'humanless' CX, bringing in human engagement as the exception in order to enhance the value of an interaction.



Digitalisation requires bringing all these elements together to work in a united way. If not, the result will simply be further fragmentation, and those strategic CX goals won't be met.

Delve into data

There is too much competition out there to ignore the potential of – and need for – data-driven analytics in customer management and CX.

Creating personalised CX goes beyond giving customers what they say they want: you must provide next best actions they were not even aware of. This explains why the ability to harness customer analytics is a top strategic focus in the CX industry.

Organisations are starting to appreciate the value of data in helping them understand what it takes to engage with customers digitally. It's now possible to analyse literally trillions of data combinations and scenarios to be proactive, improve performance, reduce costs, and increase productivity.



Data is also critical to improving the adoption of CX initiatives. It can boost CX as a priority throughout the organisation by showing its value, impact, and return on investment as a transforming capability.

Advance your analytics capabilities

Analytics capabilities are growing well beyond the rudimentary tools used to simply collect and collate information.

You now have access to sophisticated algorithms that analyse speech and text to assess customer sentiment and recognise intent. Conversational AI creates more natural conversations between humans and machines across many platforms, while advances in robotic process automation and AI offer knowledge from a variety of sources and channels to affect interactions in real time.

Neural networks will help you group and categorise data, identify patterns, and detect anomalies – all of which bring you closer to understanding and improving the customer journey, not to mention identifying opportunities for new products or services, workplace productivity, and cost savings.

But before rushing ahead to be first to market with the latest CX technology, assess whether it really is fit for purpose, or if you will be doing more harm than good in deploying it. Quality over quantity is key: the risks of poor implementation cannot be underestimated and must be managed tightly.

Align the organisation to your CX strategy

From this year's results it's clear that organisations are finding it difficult to achieve digital maturity and CX execution while, at the same time having to deliver challenging operational improvements.

CX ambitions may be undermined by poor organisational alignment. A cohesive approach is required to transform business culture, strategy, levels of CX, and the way technology enablers are managed.



Executive sponsorship and an effective operating model are a necessity when landing sustainable CX transformation initiatives.

Yet, just 30.4% of organisations say they have accountability for CX at board or executive level.

Integration of channels and collaboration between organisational functions must take place to create successful customer journeys that deliver value. While 34.0% of organisations are now saying they have a centralised CX function, 33.0% still operate in silos when designing and operating CX: a recipe for failure in an environment that demands integration.

Redefine the way you define CX

Transformation is more about reinvention than progress or improvement.

Human interaction and even traditional channels still have a significant role to play in reshaping and transforming CX. The key is knowing when and how to integrate these with an environment that's increasingly digital.

And the key to knowing *that* lies in building CX from the outside in, placing the customer at the centre. This is what industry 'disruptors' are keenly aware of. To make CX work, they revolutionise customer engagement to change the way they think and work, creating an entirely different organisational culture.

They start with trying to design the service, fulfillment, and marketing elements of a CX strategy that's focused on being essentially humanless, but where human interactions are brought in at the point where they'll add the most value to the experience.

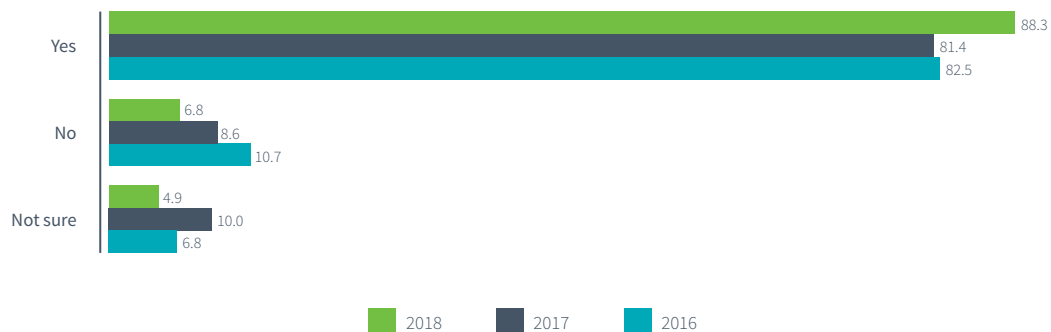


Having an optimised CX strategy that targets and displaces legacy processes and operations will help to achieve this transformation – sustainably and profitably.

Data insights

1.1 There's a continued upturn in appreciating the value of CX as a differentiator.

This acknowledgment of the value of CX has increased by almost 10.0% in the last year and is up by 18.4% since 2015.



Does your organisation view customer experience (CX) as a competitive differentiator? n= 1,113

A clear 'yes' among almost all organisations

Almost nine in every ten organisations now acknowledge CX as a competitive differentiator, a number that's been steadily increasing from the 74.6% reported in 2015. While some 6.8% still deny the relevance of CX to their operations, that number has more than halved, down from 13.4% in 2015.

Sentiment in public sector lags but is improving

At an industry level, there's little variance in results. The public sector is the exception, with just 68.3% of operations appreciating the importance of CX as a differentiator. However, this is a marked improvement on the 53.1% reporting this view last year.

Perceptions vary at different levels of management



98.1%

A massive 98.1% of board members or executives see CX as a market differentiator. Indications of operational disconnect become evident as the number drops to 89.0% among senior management and down again to 85.1% at junior management levels.

CX is critical to competitiveness

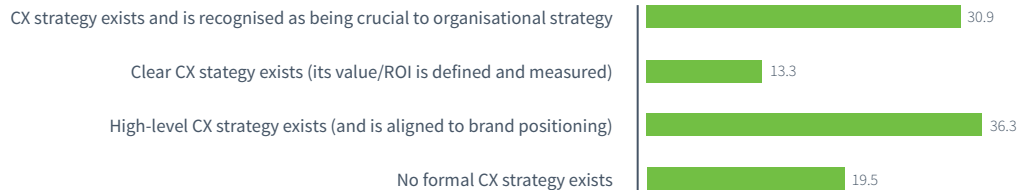
We are now living in an experience-based economy. CX is therefore critical to differentiation and your ability to compete. It must play a central role in all the goals, strategies, and activities of your organisation.

- **Commit** to CX as an organisation.
- **Build** the primacy of CX into your entire organisation's culture and goal-setting.
- **Liberate** your organisation by building a reliable and adaptive CX in partnership with your customers and employees.



1.2 44.2% have a clear CX strategy, but just 30.9% recognise it as crucial.

Almost one in five organisations (19.5%) is operating with no formal CX strategy.



To what extent is the strategic value of CX defined within your organisation? n= 1,113

☆ *New question*

CX strategy more common among prestige-level brands

There's a strong correlation between brand positioning and organisations that both define the strategic value of CX and recognise it as crucial to their performance. Just 11.1% of prestige brands operate with no formal CX strategy compared with 29.4% of budget-level operations.

Digital-only operations trail more established set-ups

Digital-only service centres aren't applying the same CX foundations as more established or traditional operations: 59.1% are operating with a clear or high-level CX strategy, compared with 81.0% of multichannel (contact centre) environments, which have no doubt applied many disciplines based on experience from the days of the telephone-based call centre.

CX strategy most valued in hospitality and education industries



39.3%

At a sector level, organisations in education stand out with 39.3% seeing the value of a CX strategy as being crucial. Banking and investment are next, alongside travel and transportation, both at 38.5%.

Organisations must articulate the value they offer customers

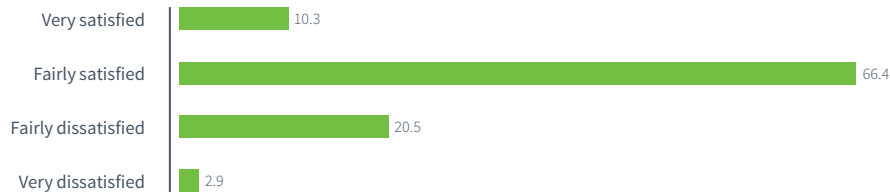
An organisation without a clear articulation of the value and experience it provides its customers will become irrelevant. The impact of CX on brand, differentiation, trust, loyalty, and growth is now critical to strategy. A CX strategy that is not understood will result in poor CX and destroy well-intentioned tactical innovations or transformation initiatives.

- **Communicate your organisation's customer vision and mission** to internal and external stakeholders.
- **Accept and structure organisational change to transform CX.** Understand innovative disruptions that take place in other verticals and the trends that customers adopt, and plan to be adaptive to these.
- **Ensure CX key performance indicators are visible,** provide insight, and are challenging. Without sponsored organisational CX measures, focus and behaviours will be short-lived.



1.3a Only 10.3% of organisations are very satisfied with their CX capability; another two-thirds are fairly satisfied.

Almost a quarter (23.4%) are dissatisfied with their CX capabilities.

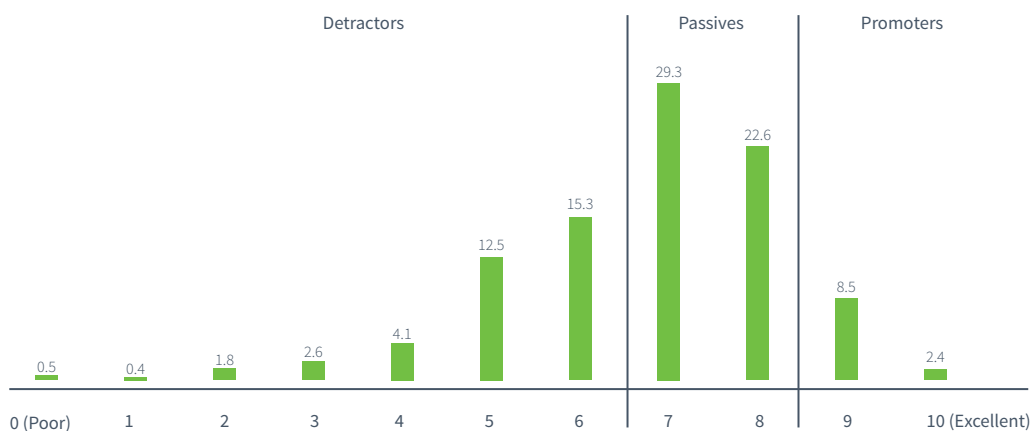


How satisfied is your organisation with its current CX capability? n= 1,112

☆ *New question*

1.3b Only 10.9% say customers rate their CX at promoter level (a score of nine out of ten or more).

For most, CX is not yet helping to promote their brand, despite differentiation being voted the second most important thing about CX.



How do customers rate your CX capability? n= 1,101



While low customer ratings are not encouraging, they're very much in line with organisations' own internal ratings, indicating significant opportunities for improvement.

North America, Australia and New Zealand have both most and least satisfied scores

North America's reputation for aspiring to high-performance CX is evidenced by 15.2% of providers being very satisfied with their CX delivery, followed by Australia and New Zealand at 10.5%. On the other end of the scale, these regions also have the most organisations fairly or very dissatisfied with their CX services.

Digital-only operations the most satisfied

Some 95.5% of digital-only operations are fairly or very satisfied with their CX capabilities. However, it's not clear whether this reflects reality, or is an ill-based assumption affected by the higher-than-norm absence of robust CX performances or process reviews in these operations.

Outsourced operators happier with capabilities than in-house

Outsourced operators indicate a stronger belief in their CX capability than in-house operations. Given that service and solution capability are so crucial to their value proposition, this is not surprising.

Customer rating results indicate significant opportunity for improvement

Representing a further deterioration from our 2017 review, just 10.9% of organisations say customers rate their CX at promoter level (a rating of nine or ten out of ten) by customers. Just over half (51.9%) state that customers are simply passive, but 37.2% say customers have been identified as detractors.

When CX is appreciated as such a differentiator – and, for many, the only way they can differentiate their services – these results present a huge opportunity for improvement.

Customer ratings higher for outsourced CX operations

Outsourced operators are achieving nearly twice the promoter-level scores as their in-house peers. This substantiates the results from Q1.3, where outsourcers' belief in their CX capability was notably stronger than that of in-house organisations.

Professional services sector way above benchmark



22.2%

Indicating the art of the possible, there are also some standout performances at a sector level. Organisations in the professional services sector have double (22.2%) the number of promoters than the average benchmark (10.9%), and just 15.9% at detractor level. The education sector fares the poorest for both promoters and detractors.

Grow the value of your CX currency

In an experience-based economy, CX is the currency. Trust underpins loyalty and engagement, which means your CX currency must be valued and trusted to create customer loyalty, repeat business, and advocacy.

- **Ensure your desired CX capability will challenge competitors to meet your customer satisfaction levels.**

Will it deliver very satisfactory, differentiated results for your customers? Innovation needs to be formally goaled, budgeted, and managed.

- **Form a blueprint to transform your CX maturity.** Understand the change required and the impact this will have on the organisation.

- **Communicate transparently on the right forums.** Customers and employees are social, forming opinions and making decisions using the wisdom of crowds. Transparency and communication should be aligned to these forums.



1.4 Establishing trust and improved customer loyalty are again voted as the leading drivers of CX.

Over one-quarter (25.6%) acknowledge that CX is the only way they can differentiate from competitors. This is a growing reality.



What would your organisation say is the single most important thing about CX? n= 1,112



Some variation among industries

Every industry sector ranks the development of customer trust and loyalty as the single most important aspect of CX. Many sectors also recognise that CX is the only way to differentiate themselves from the competition. The technology, professional services, and banking and investment sectors are among those giving this most priority. Conversely, the public sector sees market differentiation as the least of its concerns.

Acknowledgement of CX as differentiator expected to increase

Organisations in the Middle East & Africa (MEA) value CX more for its ability to help them differentiate from their competitors than for building customer loyalty. As competition throughout the global economy intensifies, we expect differentiation to be an increasing priority. It's already highlighted as such in boardrooms, although this doesn't always filter through to the entire organisation.

The value of trust

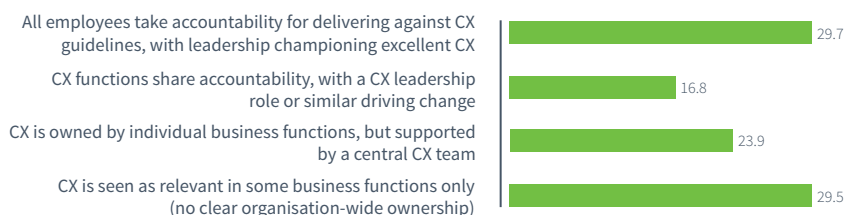
Public breaches in trust have reshaped our expectations. Organisations that have failed the public in their practices, use of data, and advice given have suffered – a clear demonstration of the power and value of being trusted. The cost of acquiring new customers in a highly competitive market is higher than the cost of retaining customers.

- **Form a deep understanding of the critical elements of customer trust and loyalty.** Build plans and initiatives based on this intelligence.
- **Pay attention to security and compliance.** Breaches are costly and will damage customer loyalty and trust if managed ineffectively.
- **Use customer presence and profile plans** to differentiate and position your organisation in a digitally primed and automated environment. Cater for the aggregation of services to provide concierge services to your clients.



1.5 Over half (53.4%) of CX operating models are being managed in silos, with strategies dictated individually in different functions.

46.5% of organisations say functions are aligned and work towards a CX strategy governed by a CX leadership role.



How well are your strategy and operating model aligned to delivering and optimising CX? n= 1,107

☆ *New question*

Silo management causes misalignment between strategy and execution

Globally, more than half the organisations surveyed either don't see CX as relevant to all functions or are managing their CX solutions separately. This is causing a misalignment between CX strategies and strategic execution.



48.4%

This misalignment is more prevalent in some industries than others. For example, 48.4% of organisations in the professional services sector have leadership championing the CX cause and 60.9% share accountability for CX consistently across all functions. In the public sector, results drop to 16.7% and 38.4% respectively.

Which benchmark is best?

These results also raise the question as to whether organisations should benchmark their CX practices against industry peers or CX best practice in general, in order to ensure long-term sustainability.

Displace legacy structures with outside-in CX design

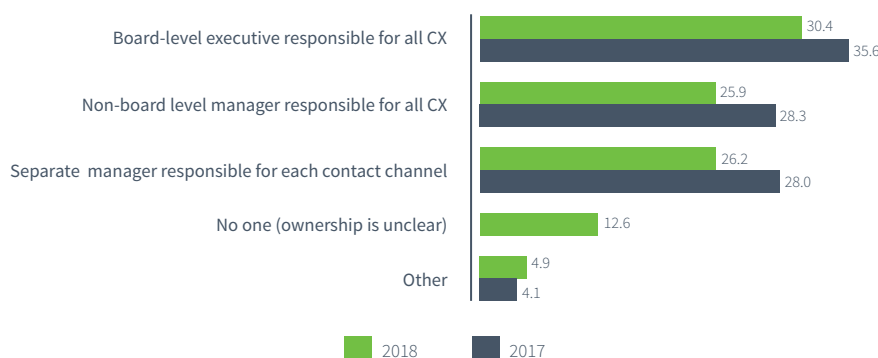
Strategy without execution is an artificial reality. A fundamental goal of your target operating model should be to displace legacy structure, approaches, and costs with CX that's formed from outside-in design principles and centred on value. Integration across channels and organisational functions is fundamental to customer value and organisational return on investment.

- **Articulate a transformed CX target operating model** and include this in a strategy that incorporates digitalisation, automation, and proactive customer engagement.
- **Define the best approach.** Form follows function. Consider what great CX looks like, and which parts of the organisation well-designed customer journeys will touch. What's the best approach to managing these?
- **Benchmark your organisation against a 'shopping basket' of your customers' experiences.** How do your offerings and services fit among and measure up to personal concierge services or digital marketplaces?



1.6 Of the 56.3% of organisations that have a single person accountable for all CX, 30.4% say accountability is at board or executive level.

12.6% say no one is responsible and ownership is unclear.



Who holds overall responsibility for CX within your organisation? n= 1,111

CX accountability has dropped at all levels



56.3%

As the number of CX channels has grown, many organisations have fallen into a trap of silo management. In 2017, 63.9% had a single person accountable for all CX. Today, it's dropped to 56.3%. Similarly, the numbers at executive level have dropped, from 35.6% to 30.4%.

Silo management of channels still prevalent

More than a quarter (26.2%) of organisations have different managers for different channels, while an additional 12.6% say ownership is unclear and no one person has overall responsibility for CX. These worsening results further evidence the need for operating models to be reviewed as businesses transform digitally – something that is getting attention, as this year's results show (see Q1.12).

Single-channel-type operations least likely to have single point of accountability

Telephone-only operations are the least likely to have a single person with complete responsibility for all CX, followed by digital-only operations.

Strategic importance of CX requires empowered leadership

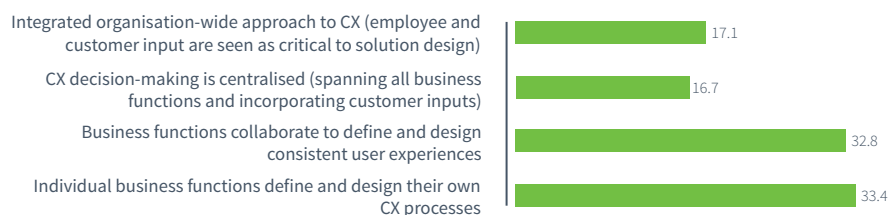
Organisations need to consider if CX is the transformation of their approach to customer service or their play in an experience-based economy. CX leadership requires authority to transform and reshape capability.

- **Align CX leadership functions and roles** to your transformed CX target operating model.
- **Assess capabilities, attributes, and gaps** to form a plan to develop, or acquire, the talent you need to lead your integrated CX organisational capability.
- **Identify the areas of highest contribution to CX** and ensure leadership is aligned to these through common transformation and performance goals.



1.7 One-third (33.4%) of organisations operate in silos when defining and designing CX processes.

Encouragingly, 32.8% are now actively collaborating to drive improved UX; 33.8% have gone even further and have centralised CX standards across the organisation.



How well do individual business functions collaborate with others to define and design CX across the whole organisation? n=1,107



Three approaches to CX collaboration

The results highlight three main approaches to collaborating in order to define and design organisation-wide CX standards:

- One-third (33.4%) of operations are challenged by individual business functions doing their own thing on CX process design.
- Another third (32.8%) have separate business units collaborating towards designing a common user experience across interaction types and touchpoints.
- The final, most advanced third (33.4%) have centralised CX decision-making. More than half of this group also seek input from their own employees alongside voice of the customer feedback when reviewing CX solutions.

Results vary by operation type but not so much by organisation size

Business-to-business (B2B) sales practices have the most mature collaboration approach and B2B IT helpdesks the least. Business-to-customer (B2C) and all other customer service operations fall somewhere between the two.

The size of the organisation appears to have little impact on logistical effectiveness, with only marginal differences between organisations employing under 50 people through to those with more than 1,001 employees.

Collaboration must keep pace with market change

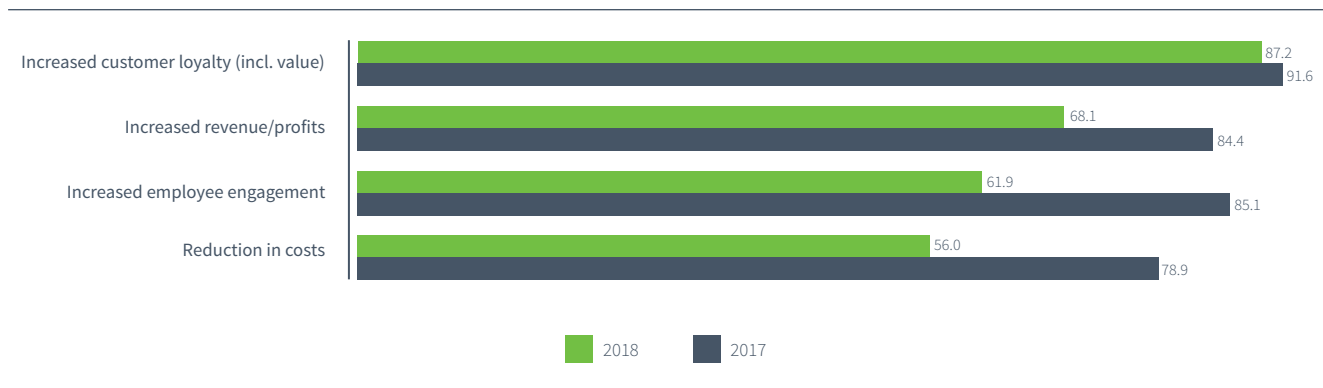
Collaboration needs to be effective in keeping pace with market changes for the organisation to remain relevant. Successful organisations are disrupting their CX approaches, functions, and channels to enable seamless integration that creates new expectations of CX and high-value results.

- **Co-create** high-value CX capabilities across functions.
- **Identify managers who can connect and mobilise expertise among strategic partners.** Collaboration needs to take place beyond the organisation, too.
- **Develop collaboration goals and measures.** If you do not measure it, it does not exist.



1.8 Increased customer loyalty (including value) is again recognised as a top benefit of CX.

Benefits remain significant, but less apparent than before as organisations are not yet realising full-value returns on investment.



What benefits can your organisation evidence by an improving CX capability? n=1,110

Proven return on investment critical to further initiatives

A proven return on CX investment is critical to securing executive sponsorship and funding for initiatives that will help CX operations keep pace with market changes.

Value of CX is clearly and extensively recognised

These results clearly indicate the value of CX and why it now so powerfully influences corporate culture – almost nine in ten organisations recognise CX as a competitive differentiator. Increased customer loyalty (including value) is seen as the primary benefit of CX across sectors, regions, and service and customer types.

Drop in ability to show improved commercial performance

However, this year's research also highlights a drop in organisations that can evidence improved commercial performance (whether it be increased revenues or lower costs). That's likely related to the significant outlays and investment in new channels, many of which have not yet realised returns. Poorly executed implementations and inadequate process design are at the heart of this problem.

Focus on quality and provide proof of value

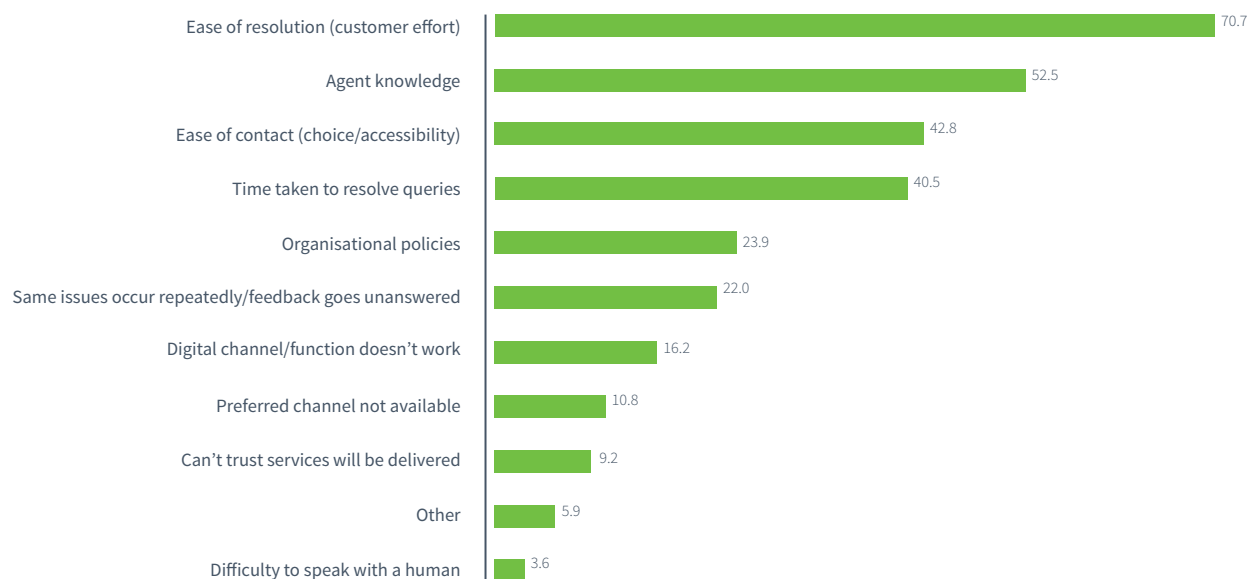
The scope of and investment in CX has grown, but 'transformation' returns and incremental value are not clear. Without proof of this value, CX investment will not be prioritised.

- **Ensure you can prove the value of CX** initiatives that have been prioritised. Make it easy to report on measurements and outcomes.
- **Rethink and redesign.** Focus on quality over quantity: displace legacy CX to ensure a lean organisation is in place to deliver tangible results.
- **Make a noise about CX achievements!** Communicate to raise awareness of CX initiatives and drive engagement throughout the organisation.



1.9 Ease of resolution counts most when it comes to customer satisfaction.

As human roles evolve, agent knowledge rises in importance. Channel choice is still a top factor.



What are the top three factors that impact customer satisfaction with your CX services? n=1,110

New question

Agent knowledge ranked higher in certain industries

Maintaining its position from our last report, ease of resolution is ranked as the top factor affecting customer satisfaction. However, for organisations in travel and transportation, agent knowledge is deemed to be more crucial and nudges ease of resolution into second spot.

Agents are still difference-makers when it comes to CX

The ease of contact associated with channel choice has fallen to third most important factor as demands for superior agent knowledge grow. Agents are increasingly being used to deal with escalations or manage exceptions to standard services that are now mostly handled by digital solutions.

Internal policies and practices a hindrance for some

Almost one-quarter (23.9%) of organisations recognise that their own policies have an impact on customer satisfaction. More than a fifth (22.0%) acknowledge the same issues occur repeatedly and that user feedback goes unanswered.

Enable operational excellence to meet customer expectations

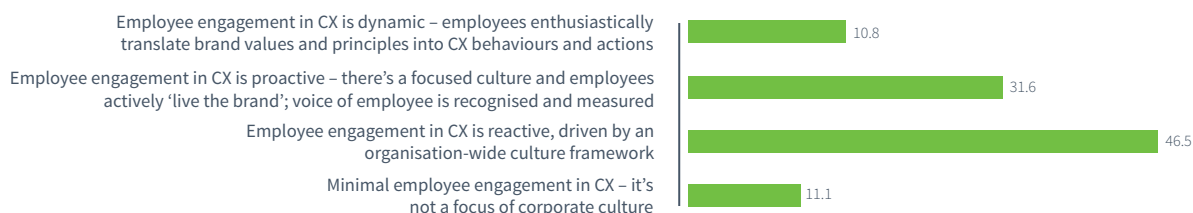
Customers have fundamental, but simple, expectations of an organisation: be knowledgeable and easy to deal with. The areas that impact CX centre on operational excellence – automation, AI, and knowledge management capabilities should support this. Organisations that harness these capabilities will flourish, but poor execution will result in more pain than gain.

- **Mobilise and automate knowledge.** Managing data well and ensuring it's appropriate and of a high quality is essential to improving CX.
- **Design high-value customer journeys** that harness your assets and attributes.
- **Understand what the critical success factors are for CX** as well as the opportunity cost of delivering poor CX.



1.10 Most organisations see employee engagement as a reactive exercise; some 11.1% don't believe it merits focus.

However, 42.4% confirm having a proactive approach, where employees actively live the brand as they deliver CX services.



How engaged are employees in delivering CX? n=1,106



Employee engagement highest at physical sites

Employee engagement in the delivery of CX is highest at physical site CX operations, which is where emotional involvement in the solution (and likely also its design) is at its most obvious.

Results vary widely by industry



24.1%

Results from different industry sectors show wide disparities in approaches. The public sector (3.4%) and energy and utilities (3.9%) sectors are poorest when it comes to employees enthusiastically applying brand values to CX. Media and communications (24.1%) and professional services (17.2%) companies are those more likely to operate with best practices in this regard.

It's interesting that outsourced operations place more focus on ensuring proactive employee engagement in CX than in-house operations, where perhaps this is just assumed.

A progressive culture of improvement needs employee engagement

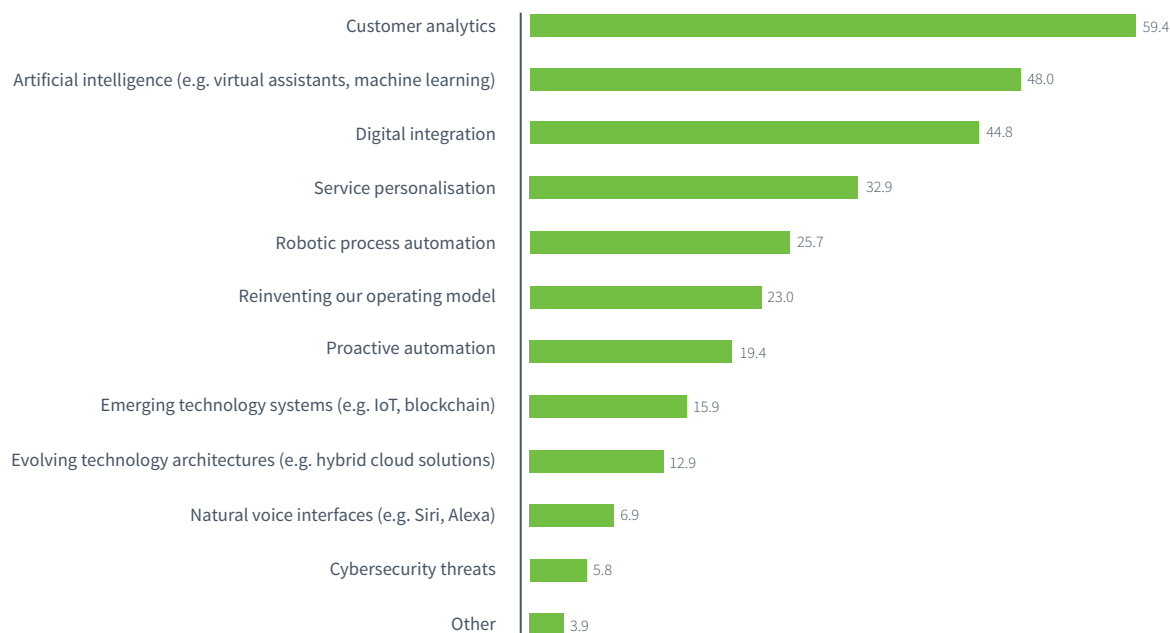
Employees are, or could be, forming powerful connections and valuable relationships with customers. They therefore need to be involved in or exposed to how digital capability and automation work together to deliver CX. Otherwise, a change-resistant environment, riddled with automation anxiety, will anchor the organisation to outdated practices and capabilities.

- **Provide a clear definition of CX and its role in brand performance and success.** Your CX strategy should be understood by the whole organisation, with opportunities to engage and influence customers being clearly articulated.
- **Form cross-functional groups to drive initiatives.** High-performing organisations make a point of allocating a substantial share of people's time to transformation projects.
- **Structure CX recognition, performance, and rewards** to encourage engagement.



1.11 For the fourth consecutive year, analytics is voted as the top factor that will reshape the CX industry.

AI has jumped from seventh to second place; the top five factors tell the story of where today's attention lies.



What are the top three things most likely to reshape your CX capability during the next five years? n= 1,109



Data and intelligence capabilities expected to have biggest impact

As digital footprints continue to provide expanding data on customer behaviours, analytics remains the top factor that will reshape CX capabilities during the next five years. While many organisations are still struggling to manage the volumes of data now available, the intelligence that informs CX and operational plans has contributed to a growing appreciation for artificial intelligence solutions, up five places from 2017 and now second to analytics.

Some variations among industries but analytics always top focus

No two organisational strategies are the same and, as expected, there are some exceptions to these global trends. Analytics retains its dominance, but other sectors have different views of trends.

In the public sector, digital integration is seen as more influential than advanced AI technologies. In the technology industry, a huge drive towards AI relegates analytics to second place. Organisations looking to use AI could investigate how it's being used in this sector, to see what could be learnt and applied to their own CX operations.

New capabilities need to be harnessed

The capabilities that have supported the mantra that 'customer is king' have been surpassed by capabilities that give credence to 'data is emperor'. The capabilities of analytics and AI, which enable greater personalisation and proactivity, are very different from the capabilities being used today, or at least, the way they are commonly utilised. An integrated and blended approach to using these capabilities is required.

- **Define and commit to a CX target operating model** that harnesses these capabilities.
- **Develop a blueprint and roadmap** to execute your analytics strategy.
- **Establish a leadership structure** capable of reshaping your organisation.



1.12 CX remains the top strategic measurement for organisational performance, receiving over 50.0% more votes than other metrics.

Organisations are increasingly focusing on customer effort and advocacy as key indicators of strategic performance.



What are the top three strategic performance measurements according to your company's board or executive team? n= 1106

Strategic importance of CX widely acknowledged

CX has been named as the top strategic performance measure for boardroom and executive teams for the sixth year in succession. The importance of CX is also acknowledged at other levels throughout the organisation, although this still needs to manifest more strongly in operational solutions (see Q1.5). Currently, contact resolution rates take precedence over customer satisfaction and CX.

Customer loyalty both important outcome and strategic measure

Building customer trust and loyalty was voted the most important outcome of CX (see Q1.4). It's also ranked in the top three strategic performance measurements and is up from 18.3% since our last review.

Effort and ease receiving more attention

Ease of doing business has emerged as the second most important performance indicator for executive teams, which aligns with ease of resolution being recognised as the most important factor affecting end user CX in both 2017 and the current review.

New CX landscape requires different CX measures

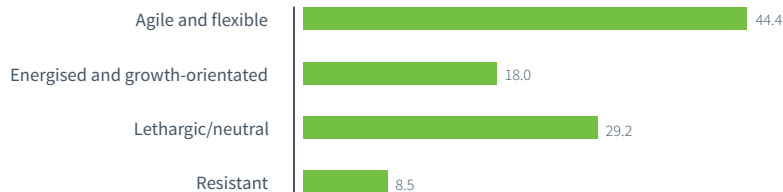
Today's CX landscape renders many of the CX measures of the past as rudimentary. Effort and ease of business are hygiene factors in retaining customers: people will notice if they're not there. They therefore need to be central to CX design.

- **Critical success factors of new initiatives must include impact on** CX, customer advocacy, and ease of doing business.
- **Establish line-of-sight CX measures** that help employees link their goals to organisational goals in order to drive employee engagement and subsequent performance.
- **Align incentivisation** across executive and senior management.



1.13 37.7% of organisations are resistant or neutral to change.

62.4% see the opportunity in evolving; 18.0% are energised and growth-orientated and a further 44.4% say their approach is agile and flexible.



What best describes your organisation's approach to change? n= ,1108

☆ *New question*

Approaches mostly consistent across regions

Over two-thirds (72.2%) of organisations from Asia Pacific are either growth-orientated or already in an agile state and open to new approaches. Other regions are on a similar plane, with results ranging between 58.5% (Middle East & Africa) and 61.1% (Europe). It's a similar story across service types, whether it be B2B and B2C, or sales, service, and technology-based operations.

Digital-only operations most open to change



14.7%

At 4.5%, digital-only service centres are the least resistant to change, compared with 14.7% of physical sites.

Huge disparities at sector-level

Sector-level indicators highlight some huge disparities in approaches to change among organisations. This suggests both a need to evolve as well as significant opportunity for organisations to move ahead of the competition by expediting their CX transformation. Most appear to have executive management support, with only 1.9% resistant to change, compared with 8.8% of senior managers and 9.9% of junior management.

Change is now imperative

An organisation's performance, relevance, and success will be determined by its ability to change. Standing still is simply not an option amid the long-term, transformative change that's taking place, and capabilities that are now being employed.

- **Establish CEO commitment** to CX change.
- **Build a change plan** based on a CX strategy, blueprint, CX target operating model, and roadmap.
- **Incorporate and prioritise change management** within leadership capabilities and practices.



02. Connected CX journeys

Despite positive intent, channel integration is limited.

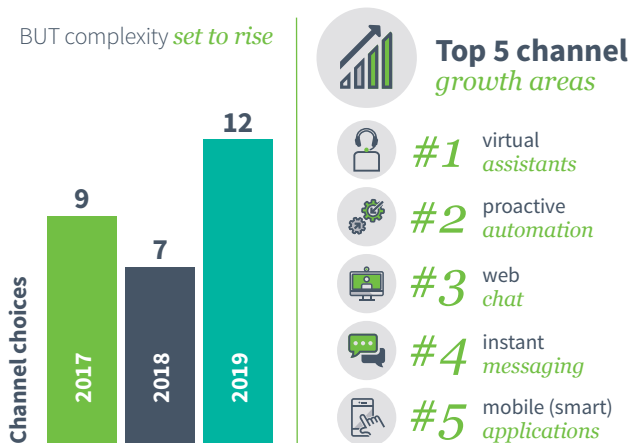


Connected CX journeys: drive value through designed engagement

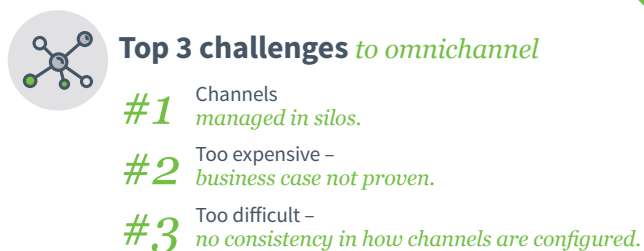
CX delivery is hugely inconsistent across channels



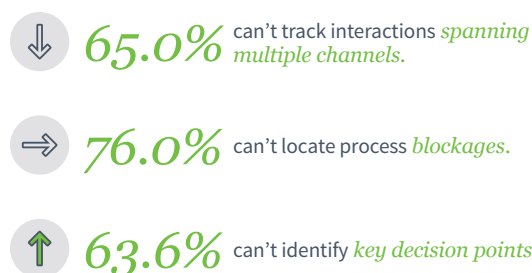
Organisations have paused to take stock and reconsider their strategy for connected CX journeys



For many, omnichannel is just too expensive or difficult to achieve



Disparate systems limit visibility of the CX journey across channels

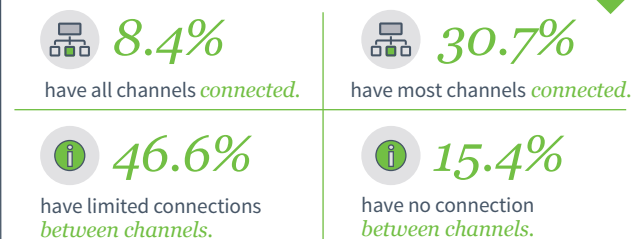


Advancing analytics and technology will address these challenges.

Most CX strategies are now focused on connecting a core selection of the available channels



Omnichannel: omni ≠ many



Time for a reality check



Design integrated experiences.

You need to integrate...but how?

- Analyse and adapt: tracking is critical to measuring, adapting, and enhancing CX.
- Create consistency by integrating contact management strategies.
- Establish an operating model that supports strategic intent.

Let us connect you to an integrated and connected customer journey.



The value of a value-based approach

Omnichannel is not a uniform reality. Rather, it's a virtual concept with many dimensions and degrees of complexity. Organisations need to create their own omnichannel reality to succeed.

The connected customer journey is often diminished rather than improved when organisations try to force channel connectivity, invariably trying to do everything at once. Increasingly, organisations that are getting this right are the ones prioritising and connecting fewer channels more effectively.

Now's the time to create your own version of the omnichannel truth, using business insight and innovative thinking to understand the true value of a particular channel to your customers, employees, and the core goals of your organisation.

It's critical to balance the costs and savings of a new channel activation or channel integration with business and customer effort ... but can you also identify the ultimate value of improved customer loyalty, advocacy, and spend?



Meet our expert



Mike Wells

Group Senior Director, CX Consulting at Dimension Data

Mike has over 30 years of experience in CX. Joining Dimension Data in 2007, he's now the chief designer and architect of Dimension Data's portfolio of CX advisory services. Mike works with organisations globally to create and deliver valuable customer and employee experiences.

Expert insights

A value-based approach will take you from the hype of omnichannel to the reality of delivering connected customer journeys that work.

Draining resources or delivering value?

The whole point of omnichannel is to reduce effort for customers, employees, and the organisation ... but so far, what's being implemented isn't adding up to this mutual value proposition.

Over half the organisations surveyed this year are saying 'yes' to omnichannel in the next two years. But the desire to create these joined-up customer journeys isn't being matched with the capability to do so. Many organisations have tried to forge ahead rather than get left behind, only to find themselves stuck at implementation. Having spent significant time and money trying to deploy and join up channels, what they have is, at best, a fairly bland CX. At worst, their efforts have actually degraded CX delivery and negatively affected customer effort, and they're finding it difficult to move forward.

Great in principle, difficult in reality



The concept of creating fully connected customer journeys that cover different interactions, channels, and customer needs across the organisation makes perfect sense.

The theory behind omnichannel is sound: maximise technology to integrate and streamline your CX operations to reduce costs, retain customers, and grow the organisation.

In reality though, very few have a clear idea of how to make this happen, especially against the background of a constantly changing landscape of emerging technologies and shifting customer demands and behaviours. What many organisations have now is a collection of semi-connected customer journeys. Omnichannel remains elusive.

Omnichannel is the enabler, not the remedy

The CX journey should drive operational processes, not the other way around. Being first with a certain channel is all well and good, but there's no point introducing something that will only create new problems for your customers and employees. Differentiation is about service delivery – doing things better, not just differently.

Mature organisations are now consciously pausing to look at their strategies through the right lens before taking the next step. They're recognising that omnichannel is an accelerator to organisational outcomes, not an antidote to organisational challenges. It's more important to connect the correct journeys well than simply have many channels.

With new technologies constantly emerging and customer demands rapidly evolving, now is a good time to stand back and make sure you have a solid foundation for what you want to achieve with your channel strategy. How can you use automation to streamline customer journeys? When is it more effective to redirect the journey to human agents?

If you understand what it is that customers want, you can build a connected environment that delivers value for your customers, employees, and organisation at every touchpoint.

Build a channel strategy that's based on value



Moving between self-service and assisted-service channels is a moment of truth for customers. There must be minimal effort involved and high return.

The transition should be appropriate to the context of the interaction, and that context must follow them throughout and direct the journey. Don't make them repeat the story!

Omnichannel is complex, which is why value-based strategies and execution are so important. You need to understand just what the customer wants to use the channel for, what your reasons are for wanting to deploy the channel, and whether it should be joined up or not.

Approach design from all angles



Forget the one-size-fits-all approach and don't equate 'omni' with 'many'; instead, find your own version of the truth. Then, design your channel strategy from the inside out as well as the outside in.

Look at all the internal elements that are critical to customer engagement: organisational culture, operating model, services, and value propositions. See how you can harmonise automation, digitalisation, and the customer journey to create a consistent experience.

Be aware of what's happening in your industry. Is there a standard you should be meeting? If no one else is offering the channels you're considering, is there an opportunity to differentiate? Should you take the leap at all?

Also bear in mind that your customers are interacting and comparing their experiences with organisations across verticals. Are there practices in other industries you should consider using or adapting?

Exploring these questions will help you identify and prioritise areas where you can release more value by creating enhanced experiences, whether it's on your existing channels or new ones – and don't forget face-to-face interactions.

Establish an operating model that supports strategic intent

Having considered the options, it's vital to understand your organisation's capacity to deploy and join up channels.



Whether you have two channels or twelve, customer and employee adoption are critical. Do you have what's required to operationalise and support the desired strategy?

Micro-personalisation is a key component of the new customer service ethos. People want to be treated as individuals and will come to expect customised offers, fast resolution of issues, and excellent value as the norm. The problem is that traditional, siloed operating models aren't designed to deal with customers this way. Moving towards a more lateral organisational structure will help you better deliver, analyse, and improve the customer journey.

Consider designating a single point of accountability for CX and channel strategy. This is more effective than having a department that looks at omnichannel across the organisation. It's vital that key performance indicators and employee communication strategies are also adapted to encourage the adoption and use of new channels to support your organisation's CX strategy.

Take an omni-organisation approach



Successful omnichannel execution requires an 'omni-organisation' approach that supports connected customer journeys in the back end as well as the front end.

Collaboration across the organisation will be crucial to design, deployment, and delivery. Look at how you can use universal data and analytics to generate useful customer insights and share these across the organisation. Can you calculate the value of servicing customers through this channel? Is there value in offering it? If not ... why are you doing it?

Analyse and adapt to realise value

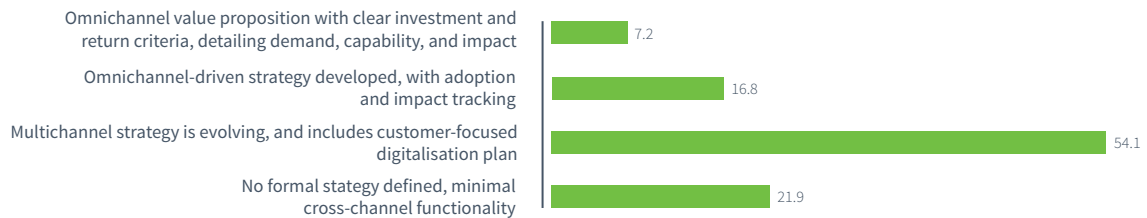
CX is an ongoing, constantly changing entity. What your customers want from a channel today may be quite different in a few months, and your technology and processes must be highly adaptive to accommodate this.

Continually testing your channel strategy against the value it's delivering to customers and the organisation will help you create sustainable, not just immediate, value.

Data insights

2.1 Over one-fifth (21.9%) of organisations do not have a formally defined channel strategy.

Most are focusing on evolving their multichannel strategy, as less than a quarter (24.0%) have defined their omnichannel proposition.



How well defined is your channel strategy? n= 1,016



Formal channel strategy is crucial, regardless of solution

Organisations have an ever-widening choice of contact channels to help them achieve CX and performance goals. Whichever they choose, it's crucial to consider, define, measure, and regularly review a formal channel strategy.

Prestige brands more likely to have channel strategies



65.6%

This year, we're seeing a correlation between brand positioning and channel strategies. Just 65.6% of budget brands have defined strategies, compared with 71.2% of mid-level and 86.3% of prestige brands.

Omnichannel: aspirational or achievable?

Omnichannel has long been an industry buzzword, yet most organisations seem to view it as an aspirational vision. Just 24.0% have a defined omnichannel strategy and over half (54.1%) are focusing on their multichannel strategies. Some 21.9% have no channel strategy at all.

While many organisations are working to develop their capabilities for omnichannel-based service delivery, few are clear on strategy and implementation: what this should look like or how to make it happen. That said, a great multichannel capability is often far more effective than a poor omnichannel vision.

- **Create a value-based strategy for channel capability.** Define your 'truth' of what omnichannel should look like. Focus on the derived rather than the perceived value.
- **Develop a robust channel integration and adoption plan** for your organisation, employees, and customers.
- **Implement insight-driven improvements.** Measure and monitor success across all channels. Analytics and, where possible, real-time measurement and improvement mechanisms will help you adapt the channel model to remain relevant.



2.2 Organisations are pausing to take stock: the average number of channels offered has dropped for first time in five years.

Today, most offer just seven channel options. However, a significant focus on virtual assistants and proactive automation will see the average number of channels increase to 12 by next year.



Please select the service channels you provide now, or have planned. n= 1,016

Instant messaging channels showing temporary regression

The average number of service channels offered by CX providers has fallen for the first time since 2013, down from nine in 2017 to seven this year. Instant messaging, including SMS, web chat, and co-browsing, is showing some temporary regression.

Time for a reality check

Organisations have clearly paused to reflect on the performance of new or evolving channels and consider how best to benefit from revolutionary robotic and new AI options. This 'pause' is an opportunity to understand which channels are best for the job, based on value rather than expectations.

Considering the best way forward

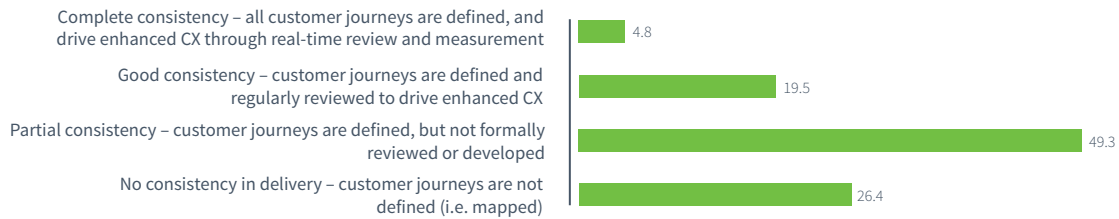
The top five growth areas predicted for 2019 are virtual assistants, proactive automation, web chat, instant messaging, and mobile (smart) applications. However, having more channels means more challenges with consistency, interoperability, and value recognition. It's okay to be good at multichannel, even if it's only three channels, as long as they work for you.

- **Pause and reflect before adopting new channels.** Predicting what will deliver value is the challenge. You need detailed insight into the changing expectations and behaviours of customers. Then, evaluate these against emerging technologies and organisational objectives.
- **Understand the benefits of a mix of channels and integration.** How can they deliver immediate and sustainable benefits? In looking at emerging technologies, be clear on how to balance standardised transactions, delivered through automation, with customised experiences and personalised interactions.
- **Deliver consistent, context-based, content-rich interactions** wherever possible, regardless of the channels or interoperability between them. Customers expect you to know them and want to interact with your organisation in real-time.



2.3 CX delivery is hugely inconsistent across channels.

No consistency whatsoever is reported by 26.4% of organisations, which have yet to define their customer journey. Another 49.3% say they have partial consistency and defined customer journeys, but these are not fully developed.



Is CX delivery consistent and defined across all customer journeys? n= 754



Channel issues exacerbated by undefined customer journeys

Inconsistent service delivery across contact channels continues to be a challenge for CX teams. For many, the problem is compounded by not having a defined customer journey map.

Variations by brand, region, service type

This is another area where there's a direct relationship between best practice and brand positioning. The scale of the issue also varies by region and service type: organisations in Asia Pacific are twice as likely to have journeys mapped and some consistency of service than those in the Americas, for example. IT helpdesks lag business-to-consumer sales and service operations. Results vary widely at sector level, too.

Organisations need to shift to an outside-in view

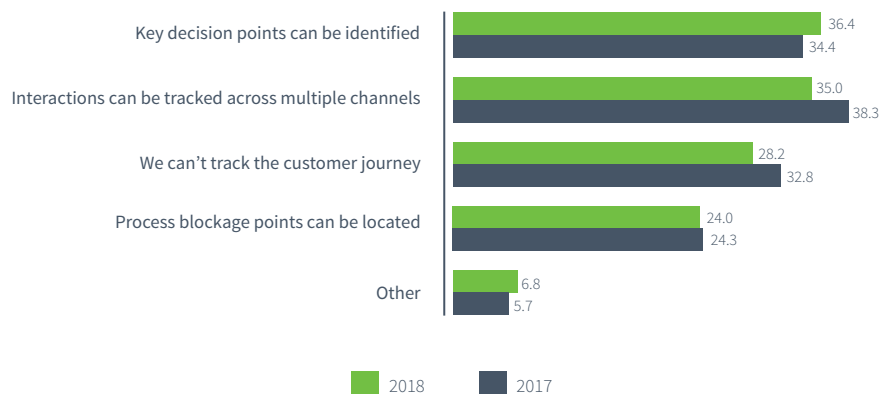
Optimising customer journeys is a tactical exercise that can improve customer and employee satisfaction, brand value, and revenue, and lower operating costs. But shifting mindsets to focus from the outside in is a strategic and transformational undertaking. Organisations that get this right create a CX culture that's hard to build otherwise – and sets them apart from the competition.

- **Understand expectations.** What do your employees and customers expect CX to look and feel like? Connected customer journeys should reflect the customer's emotional view of the entire journey.
- **Establish guiding principles and design protocols for CX.** These will help you take a consistent – and realistic – approach to delivering exceptional CX and connected customer journeys across all touchpoints.
- **Create the journey, create the culture.** To deliver a consistent CX journey, you need to engage all functions in the organisation, from top to bottom. This brings about both an operational and cultural shift that can generate innovation and continuous business improvement.



2.4 Visibility of the CX journey and user behaviour patterns across contact channels is still a challenge.

Just 35.0% of organisations can track interactions across multiple channels; 76.0% can't locate process blockages and 63.6% can't identify key decision points.



How well can you track the customer journey across your service channels? n= 695

Visibility improving but still not crystal clear

Ease of resolution is recognised as the main factor affecting customers' satisfaction with CX services, yet 24.0% of organisations can't locate process blockages across multiple service channels. Some 28.2% have no visibility of cross-channel customer journeys, although there has been an encouraging 14.0% improvement since 2017.

Digital-only centres have most advanced capabilities



14.3%

Digital-only service centres (no telephone) have the most advanced operating capability and just 14.3% can't track the customer journey (27.6% for blended telephone and digital operations). Sales operations are the most proficient at identifying key decision points.

Cross-channel tracking worse than 10 years ago

Overall, organisations affected by channel growth are facing data format and system integration challenges, making cross-channel tracking capabilities worse than they were a decade ago.

Tracking is critical to measuring, adapting, and enhancing CX

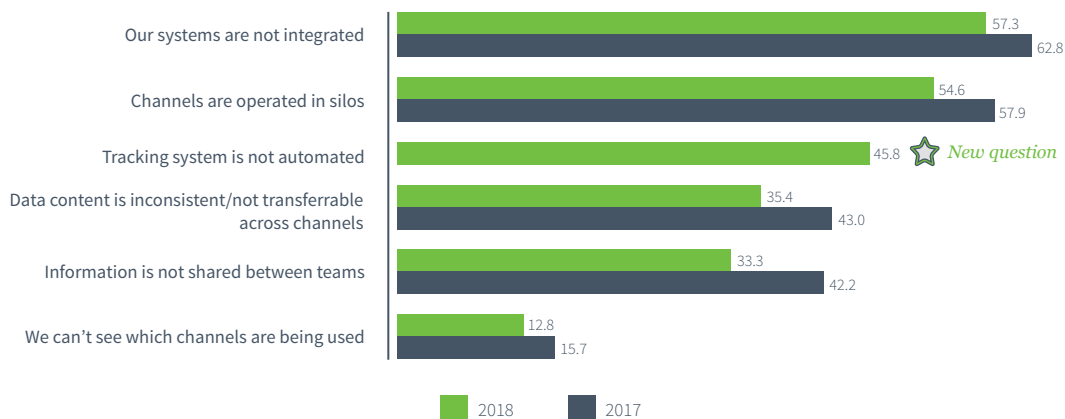
If customer journeys aren't tracked, channel performance can't be measured. Organisations can't view – and adapt to changes in – customer behaviour. Little or no tracking often means data isn't being used to enable contextual, content-rich interactions.

- **Combine customer journey mapping with CX analytics** to track and analyse interactions throughout the customer journey and broader lifecycle. Use universal quantitative and qualitative data to make decisions based on deep insight into the context of these interactions.
- **Enable continuous improvement** by evaluating performance in terms of value across the organisation and customer lifecycle.
- **Track journeys, ideally in real time**, to provide relevant content at the right time. For example, when a customer moves from a self-service channel to voice, ensure the agent has historical context and, where possible, real-time information to give appropriate advice.



2.5 Systems integration constraints are again the top issue affecting visibility of the customer journey.

For 54.6% of organisations, contact channels operate in silos, while 35.4% struggle to transfer data across channels. This makes it difficult to get a single view of the end-to-end customer journey.



What are the main challenges you face when attempting to track customer journeys? n= 681

Analytics and new technologies could help address top issues

Organisations continue to be affected by systems integration issues and silo-based operating model constraints – issues that are also top of mind when deciding on new technology.

Advancing analytics and technology should help address these challenges. Automated tracking systems, a new response option in this year's survey, are in place in 46.0% of organisations.

Silo management continues but collaboration among teams has improved



54.6%

Over half (54.6%) the organisations say individual channel owners track the customer journey in their respective areas. It's therefore encouraging to see a significant increase in collaboration between teams, and data being configured consistently so information can be transferred across user groups.

Most customer journeys only partially integrated at the front end

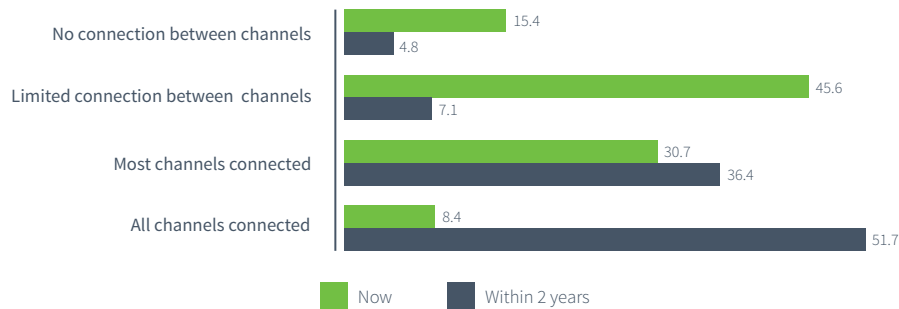
Whether you're working towards an omnichannel or multichannel channel strategy, there are several barriers to overcome. Technology integration, data synchronisation, and the ability to operationalise can be costly and time-consuming to navigate. The reality is that most journeys are only partially connected at the front end, with little true integration.

- **Align the organisation.** As a minimum, have common design principles and protocols for CX. At best, create an omni-organisational CX structure with clear ownership and responsibility. This may require broad organisational change in more traditional operating models.
- **Integrate systems.** When developing journey structures, consider how technology can capture real-time data and insights for context and content, and provide valuable insights across critical interaction points.
- **Synchronise data.** Capturing data is only half the story. You need to use those insights to understand customer effort and business effectiveness in order to drive improvement. If you can't measure it, should you be doing it?



2.6 Despite huge intent, just 8.4% of organisations have all channels connected – no change from 2017.

Those with most channels connected – a more achievable reality – are up from 21.9% to 30.7%, and those with none have dropped from 23.9% to 15.4%.



What best describes your omnichannel strategy? n= 884

Omnichannel capability a massive focus

The CX industry is clearly focused on developing omnichannel-capable environments that align with changing customer behaviours and requirements, with automation and self-service channels presenting opportunities to improve efficiency and reduce costs.

Omnichannel strategies (connected customer journeys) were voted one of the top-three trends empowering CX delivery in our 2017 report, with 40.7% of organisations saying they intended to have full omnichannel proficiency within two years. However, since then there's been no increase in the percentage of organisations reporting to have all channels connected: 8.4%.

Increase in connecting main channels only



30.7%

Rather, the greatest progress this year is from organisations connecting their main channels only, up from 21.9% to 30.7%. Those with no channels connected at all has also improved, from 23.9% to 15.4%.

Great intentions but little progress

This year's findings highlight the reality that full omnichannel is just too difficult or expensive (or both) for many organisations – after 18 months, the actual level of full omnichannel capability remains exactly as it was in 2017. There's also been zero progress from those with limited connection between channels (45.6% now versus 45.8% previously).

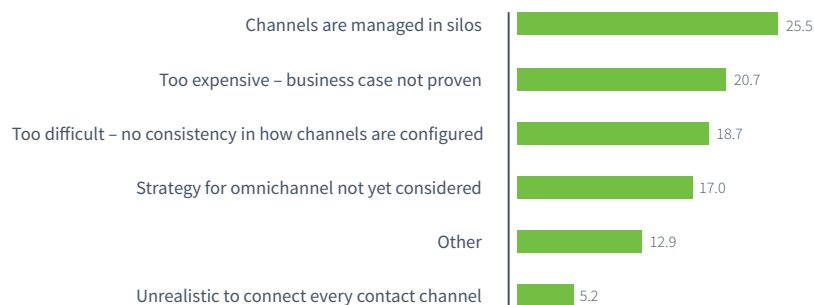
The reality is that omnichannel is more 'in progress' than 'complete'.

- **Does your CX strategy adequately address channel management and omnichannel?** Define your current state of maturity and a future state that balances business drivers with customer expectations.
- **Have you articulated what omnichannel means to your organisation?** Agree on how it should be structured to deliver the outcomes and value you seek.
- **Can you do more with less?** A few channels delivering excellent value is preferable to many channels delivering substandard CX. To identify and deploy effective, workable channel constructs, develop a roadmap that prioritises your efforts according to the value they'll deliver.



2.7 Disparate management remains the biggest threat to omnichannel CX.

For many, omnichannel is just too expensive or difficult to achieve.



What best describes the top challenge to omnichannel and connecting all channels? n=915

☆ *New question*

Costs and complexity are a concern for many

Of those that have considered or may already have an omnichannel strategy, 39.4% say it's just too expensive or difficult to achieve. Silo management, the main obstacle to omnichannel both this year and in 2017, is likely one of the reasons behind this challenge.

Difficult, but not impossible, is the majority view



17.0%

For 17.0% of organisations, an omnichannel strategy is simply something they haven't yet considered. However, for almost all, the desire and vision for omnichannel are there, even if it's a long-term objective. Just 5.2% rule it out as an unrealistic venture altogether.

Time to take a value-based approach to defining omnichannel

Despite the hype around omnichannel, the reality is that for many organisations it's simply too difficult. They're spending a great deal of time, effort, and cost on trying to evolve an omnichannel approach, at the risk of negatively impacting CX.

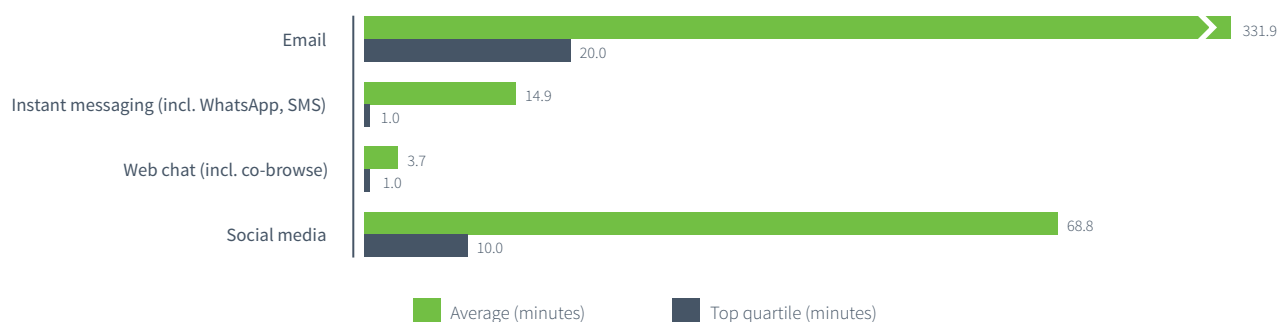
Clearly, it's time to stop relying on vague and generic definitions of omnichannel and move to a value-based approach.

- **Create your own version of omnichannel, however many channels you have.** Define omnichannel according to your required outcomes. This is a critical first step in developing a connected channel strategy. Any channel strategy must be able to adapt to change, particularly as new channel opportunities emerge.
- **Move from cost-to-serve models to value-realisation.** Maximise outcomes that improve CX and organisational performance by clearly identifying the value you'll realise, considering the cost to develop and deploy channels with adequate functionality.
- **Go beyond the drawing board.** It's crucial that you're able to measure the value of the channel interoperability, its capability to deliver frictionless interactions, its impact on CX, and relationship to commercial performance.



2.8 Top quartile organisations have exceptional results on agent-assisted digital channels.

This huge difference highlights the art of the possible when organisations invest in the design and management of digital channels.



On average, how quickly do you answer enquiries received via: n=688

Gaps between top quartile and average are widening

Our 2017 report highlighted some exceptional performances from the top quartile of survey respondents. We see this again this year, although, in the main, the gaps between the average and top quartile of respondents have widened.

Response times up on average but top quartile show improvements

The average response time for email has increased by over an hour, to 5.5 hours, yet top quartile respondents answer in just 20 minutes. Average response times to social media enquiries have risen slightly, from 60.0 to 68.8 minutes. It's likely this is related to the growing tendency to use social media for general engagement rather than as a full-service channel. Web chat answer times are down, from 7.0 to 3.7 minutes, but are around one minute for the top quartile.

What the top quartile is telling us

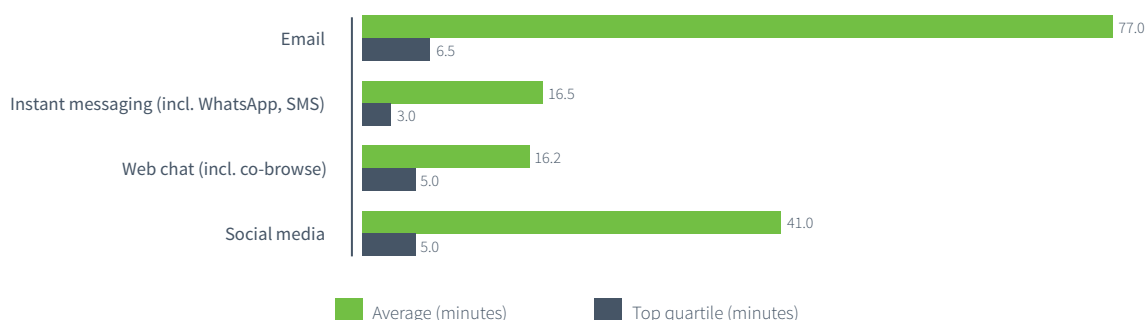
The performance of top quartile organisations shows where they've committed to understanding their connected customer journeys and establishing the best, most efficient way to interact with customers through a blend of human capability and technology (automation and virtual assistants, in particular).

- **What do customers expect in terms of speed, effort, and outcomes?** Use this to inform your CX channel principles and design protocols for automated and self-service channels.
- **Where can you improve response times?** Identify where customers will benefit from and accept automation. Also look at the operational efficiencies you'll gain from process automation and optimisation.
- **How are your response times measuring up?** Measure all types of channel interactions to set realistic targets for response times. For example, should a chat session initiated by the organisation be answered more quickly than a customer-initiated request for support on web chat?



2.9 Top quartile performers set the benchmark many should aspire to achieve.

Inefficiencies are significantly affecting the cost to serve as well as customer effort, which is why channel strategies need to be reconsidered.



On average, how long does it take you to complete enquiries received via: (i.e. average handle times) n=639

Top quartile outperform on email and social media

Survey results show a relationship between market positioning and average handle time, with the top quartile again showing what's possible. Average email handle times are much the same as last year, while social media is up by seven minutes.

Big improvements in web chat and instant messaging

There's been a significant improvement in instant messaging and web chat responses. In 2017, the average time to resolve an inquiry on these channels was 42 minutes. Now, it's nearer to 16.4 minutes. This may well help justify web chat as a sustainable channel, with customer appetite to use it growing in tandem.

Gaps between top quartile and average highlight opportunities

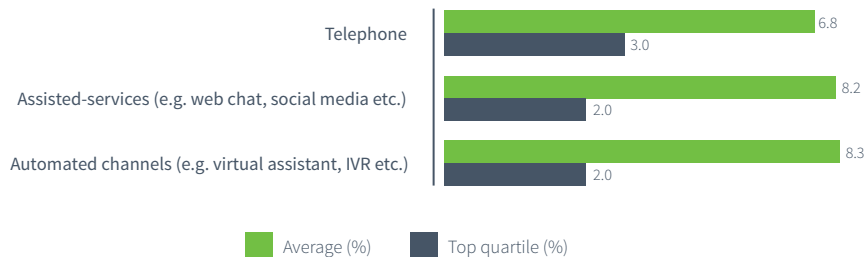
The time taken to handle a customer request is far more important than the time it takes to simply acknowledge receipt. Again, the discrepancy between average and high performers shows how organisations can dramatically increase handling times by focusing on the right blend of automation, leaving human capacity to deal with more complex, and often more valuable, interactions with customers.

- **Adopt automation.** Use evolving technologies such as IoT, AI and machine learning – as well as robotic process automation – to improve workforce efficiency, reduce human error, and dramatically accelerate the time taken to complete standard operating procedures, ultimately reducing costs.
- **Assess capacity.** When evaluating optimisation opportunities, new channel activation, or automation enhancement, it's important to understand what impact this will have on your operational capacity. For example, live web chat will often require more operational staff.
- **Inspire adoption.** Organisations that optimise process handling times by using digital channels, and automation generally, have a solid adoption plan for encouraging customers and employees to use these technologies.



2.10 Abandonment rates are much the same for all channel types.

Automated and assisted-service channels results are almost identical. Telephone abandonment rates have floated around 7.0% for the last three years. The performance of top quartile organisations is improving.



What is your average percentage of contacts abandoned on: n=621

Top quartile more than 100% better than global average

Customer thresholds are relatively consistent across service channels, although users have the least patience with the telephone. Abandonment rates on this channel have improved significantly in the last decade, hovering around 7.0% since 2015 and down to just 3.0% for top quartile organisations.

Poor user interfaces, unavailable functionality, and long waiting times affect assisted-services and fully automated channels. For top quartile performers, the abandonment rate on these channels is just 2.0% (a quarter of the global benchmark of 8.0%).

Rates vary among operation types and regions

Sales operations tend to experience lower abandonment rates than service and technology helpdesks. Regional and sector variances should also be considered when assessing best practices and determining benchmarks.

Contact abandonment has a commercial impact

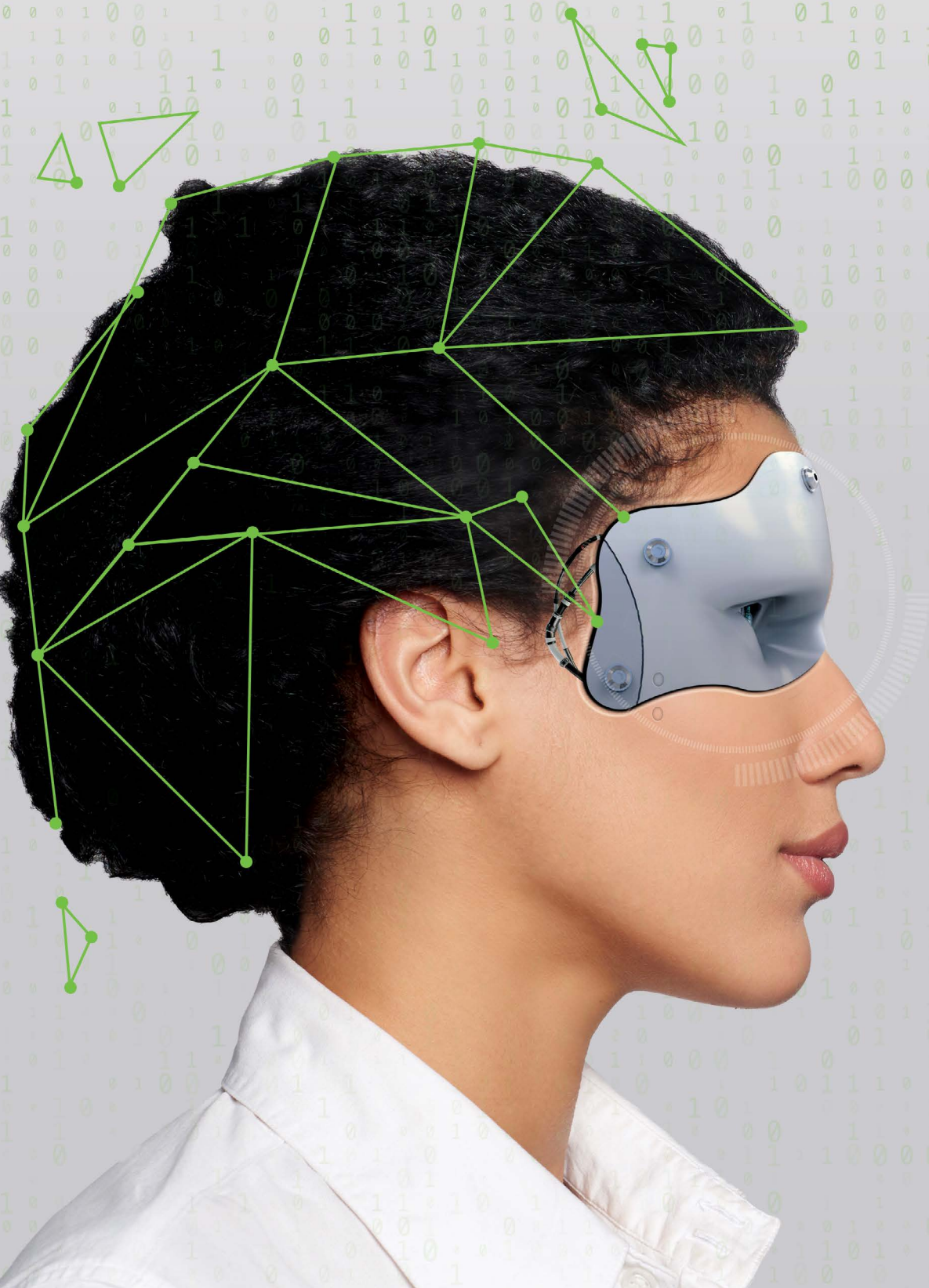
In today's world of immediacy, managing abandonment rates across channels is a constant struggle. Contact centres have focused on workforce optimisation, but on many newer, self-service digital channels, abandonment is not even measured, which is a mistake. Measuring abandonment is vital to improving CX.

- **Monitor customer behaviour and adoption.** As organisations move towards a more complex lifetime-value and channel-value approach, it's important to measure abandonment rates and cost to serve against CX performance.
- **Identify underlying problems.** If a customer drops off a call while waiting to speak to an agent, you probably have a resource issue. If they disengage during a self-service digital interaction, it's likely a process or technology issue, while abandoned shopping carts could indicate pricing or product concerns.
- **Proactively secure value-based outcomes.** Use predictive analytics to identify opportunities for proactively contacting customers, for example, using interactive chat to help complete an online order, where appropriate.



03. Digitalisation

The desired benefits of digitalisation are obstructed by the limited adoption of digital channels.



Digitalisation: pressure to respond and thrive



Top 3 factors driving digital business transformation:



79.0%
improve CX



63.2%
customer demand



58.4%
cost reduction

Strategies for digital business

Significant increase *in development of enterprise-wide strategies:*



12.3% optimised



69.1% being developed/
refined



12.1% separate strategy
for each contact
channel



6.5% don't have one

Organisational readiness is *improving*.

What's hindering customer use of digital channels?



Challenge #1

56.9%

customer awareness of solution



Challenge #2

35.1%

poor user interface/
experience

Negative experiences

and poor solution deployment result in *31.4% of customers preferring non-digital channels.*

Time for a reality check



Digital should bring the *customer closer and improve CX.*



Customer journeys should be *integrated, orchestrated, and seamless.*



Organisational culture will *either enable or limit success.*

The digital mix: desired operating model by service type

	Customer service	Sales	IT helpdesk
Telephone	37.9%	38.9%	31.0%
Assisted-service	28.7%	30.4%	30.4%
Automated channels	33.4%	30.8%	38.6%



For most, actual uptake *of digital falls considerably short of target.*

Digital providers: what's slowing digital transformation?



#1

resources



#2

budgets

are being stretched by digital transformation.

Nearly

1/4

are concerned about
cybersecurity threats.

1/5

lack insight into customer needs.

Digital CX – what's on trend?



Social media

increasingly viewed as customer engagement marketing tool – *just 38.0% will provide full service support.*



Smart apps

emerging as industry standard - *smart app versions of full website now more than double, at 58.3%.*



Web chat

emerging as industry standard - *being deployed in growing number of solution areas; deployment priorities remain unchanged.*

Create a CX strategy for the digital world.

You need to adapt...but how?

- **Rethink:** design cohesive digital experiences across all interaction points.
- **Reframe:** define and deploy a digital mix that delivers value.
- **Promote:** market, review, and refine solutions to meet your and your customers' expectations.

Let us help you create a digital strategy that delivers.



Rethink, reconstruct, and reframe

Changing market dynamics and increasing stakeholder expectations are putting organisations under pressure to respond and thrive. They've moved on from trying to understand the opportunity for developing a digital strategy; now, they're grappling with how to accelerate traction and realise value.

Challenges linked to legacy operating models persist, while business as usual and digital transformation are often competing priorities. Organisational culture and behaviours will either enable or limit success, and forward-thinking leaders are recognising that a truly customer-driven organisation is possible with the right people.

When an organisation is fully geared to placing customers at the core of its operations, it forces people to think and act differently. In this environment, customers inform everything you do, how you do it, and what you prioritise. The way people solve problems, respond to change, and evolve processes and technologies accelerates. As a result, digital channels become an integral part of CX, and are foundational to delivering real value.



Meet our expert



Wayne Speechly

Group Principal Director, Digital Advisory at Dimension Data

Wayne is dedicated to helping organisations thrive in the digital age. He heads up a team of strategists, specialists, and execution enablers who are experts in customer-centric digital transformation.

Expert insights

More is not always better

There's been a lot of hype about new digital channels being able to solve a broad array of organisational problems.

The epitome of success, it seemed, was having more connected channels across different technology sets.

But is this really the answer to delighting customers?



If customers are aware of new capabilities, they will experiment with what's on offer. If the new channel provides value to them, they'll adopt it.

If not, they'll revert to previous ways of interacting.

The problem is that many organisations excluded customers from their transformation process. They rushed to introduce new digital channels, or optimise existing ones, without carefully considering how these channels would meet customer needs, or whether they were the best way to get the job done. It's unsurprising, then, that customers were starting to feel somewhat fatigued by this flurry of activity and the various options being pushed at them.

The many new features digital offered may have seemed valuable at the outset but, a few months down the line, were simply failing to address a real need or align with how customers wanted to interact with the organisation or consume its products and services.

Reviewing the role of digital

Even as the digital market matures, we're seeing that when it comes to CX, more technology is not necessarily better.

That's because technology alone can't drive systemic change. 'Customer-centric' may be the catchphrase used in vision and mission statements for many organisations, but how many actually frame CX strategies within their broader strategic context? How deeply is CX entrenched in every facet of the organisation, including culture, people behaviour, core value chain, operations, and technology?



What's interesting – and potentially beneficial – is that the quest to digitalise requires organisations to take a long, hard look at how to bring their customers closer to the centre of their planning and execution.

This is often an uncomfortable process, as it risks exposing deficiencies and issues with how customers are served.

If these issues can be addressed, though, digital transformation will be far more effective than simply deploying new channels to mask legacy processes or promising to deliver exceptional new experiences.

To ensure the greatest likelihood of success, organisations need to be pragmatic in prioritising what to digitalise. This is where an outside-in, customer-driven mandate for digitalisation comes into play.

Rethink: bringing the customer closer

To win customer mindshare from competitors that have more responsive business models, organisations need to bring customers into many parts of their operations. By doing so, they'll be enabling a more customer-connected culture: one where customers are the ones who guide and inform the direction and priorities of the organisation's CX and digitalisation initiatives. As unnerving as this may seem, born-digital organisations have done this from the start as they attempt to quickly gain market traction.

The integration of new digital processes and capabilities will work only if these are informed by customer needs.

Problems arise when contact channels are introduced and managed in isolation of a product or service, instead of being a feature of how it's delivered. To change this, channel options should be included in the creation and development of that product or service, and aligned with what will best meet customer expectations.



As channels mature and digitalisation delivers more value, investigating other contact channels, whatever they are, will become a necessary and important component of the organisational value chain.

Organisations that transform or introduce new business models without taking this kind of outside-in approach do so at the risk of jeopardising the success of digital transformation.

Reconstruct: getting back to basics

As mentioned earlier, the introduction of new technologies tends to expose rather than alleviate complexity and deficiencies in CX processes. To prepare the organisation for any new digital capability, it's critical to first address these fundamental issues – which may explain why we're seeing a renewed emphasis on going back to business basics.

Organisations are taking more of a systems-thinking view to identifying and driving measurable CX outcomes. They're not just deliberating over how to progress from where they are currently, but are pausing to reimagine CX, employee enablement, and business model innovation. They're looking at their operating model and, more importantly, how the different parts of the organisation work together to create and sustain value. Before they execute digitalisation initiatives, there's a reimagining of how things *should* be done, followed by a reconstruction of core processes to accommodate this.



This approach is what informs the digital transformation programme and creates a platform for a responsive organisation that embraces change, either by introducing new capabilities or addressing customer demands.

Reframe: defining and delivering value

For many organisations, the success of CX initiatives – including digital deployments – hinges on reframing how they identify and deliver value to the market.

Those that are ahead of the curve are considering how culture, behaviour, and ways of working need to shift to create the right environment for digitalisation. They lead their transformation with the human factor.

There's a significant opportunity for agents to change the value provided to customers by creating differentiated experiences. As technology, automation, robotics, and AI take over more structured and rudimentary tasks, agents can elevate themselves to play a more relevant role in customer interaction. And, in doing so, they can help improve customer loyalty.

Strategic execution: interdependent and interconnected



Digitalisation is an integral part of the right transformation process. Organisations that can manage these considerations will be much closer to creating an environment that accelerates success.

The best CX comes from recognising that every customer touchpoint is an interdependent component in achieving the desired outcome.

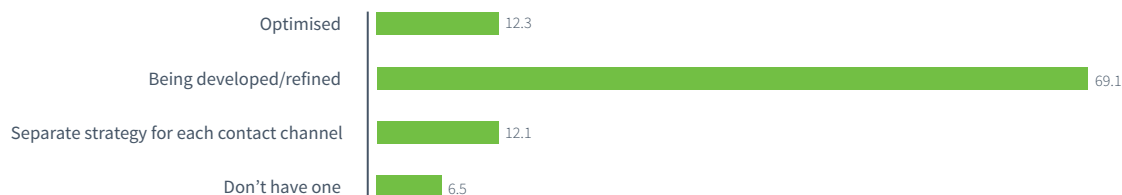
For this reason, planning and implementation processes must be shared throughout the organisation and include people at all levels. To respond to customer needs and deliver value more quickly, organisations are starting to work as integrated, orchestrated, cross-functional systems. And, slowly, they're working on ways to change behaviour and create a culture that can drive widespread transformation.

Successful organisations recognise that they don't need a digital strategy. What they need is a CX strategy in a digital world.

Data insights

3.1 There's been a considerable increase in organisations developing or refining an enterprise-wide digital business strategy.

12.3% consider their strategy to be optimised, a 29.5% increase from last year.



How would you describe your organisation's strategy for digital business? n= 887

Huge focus on strategies to meet digital business needs

An impressive 93.5% of organisations are either developing a strategy for digital business or have one in place. Those that have managed to optimise their digital solutions have grown from 9.5%, in 2017, to 12.3%.

Maturity of strategies varies by industry

Maturity levels vary considerably across industry sectors, particularly at the top and bottom ends of the scale. Interestingly, optimised digital strategies are highest for physical site operations such as high street retail stores and hotels (22.2%).

Most strategies encompass all digital channels



12.1%

There's been a rise in organisations having a separate digital strategy for each contact channel, up to 12.1% from 8.7% in 2017. However, 81.4% of organisations are developing plans to span all channels.

It's not just about *doing* digital but *being* digital

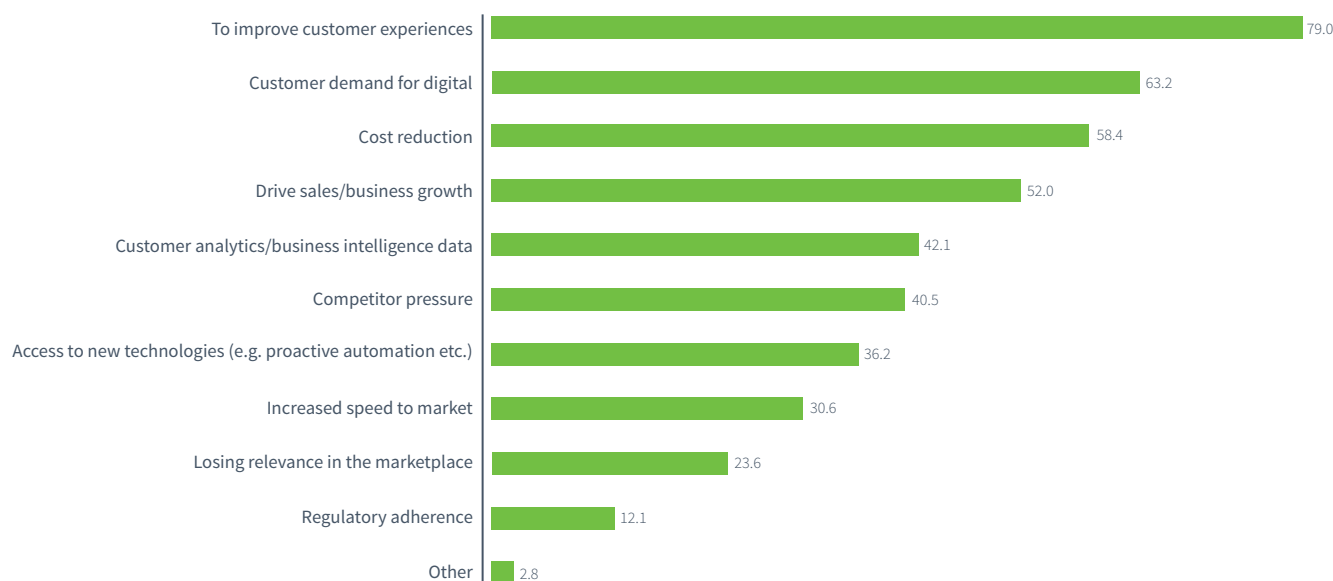
Digital strategies are becoming the thread that links CX initiatives across the organisation. It's therefore important to identify the role digital transformation plays in excelling at new ways of delivering CX.

- **Digitalisation is about effective business strategy in the digital age.** It's not a separate focal point. Reshape the way you plan and execute digital against the backdrop of existing organisational initiatives.
- **Planning and execution must be integrated and ongoing.** The external environment is changing rapidly. To deliver value while being digitally relevant, your planning, and execution can no longer be lengthy, standalone processes.
- **Digital transformation is everyone's responsibility.** Leaders need to create ways for everyone to co-own, co-create, and contribute to the transformation mandate. This doesn't come at the cost of governance or risk management; rather, it increases your resilience.



3.2 CX is still the main factor driving digital business transformation.

The improvement in Net Promoter Score results (up to 39.0% from 34.0% in 2017) is driving results upwards, but traditional customer satisfaction and quality scores fall to a record low.



What are the main factors driving your digital business transformation? n= 882

Improved CX the top factor, followed by customer demand

Regardless of customer type, service solution, brand positioning, or the type of CX operation, improved CX is cited as the main factor driving digital business transformation, followed by customer demand for digital channels.

Competitor pressure a much bigger factor this year

Up from 25.8% last year, 40.5% of organisations are driving digital to keep up with competitor activity, with 23.6% saying they felt they were losing relevance in the marketplace. More than a third (36.2%) are simply taking advantage of the new technologies available; 58.4% see opportunities to reduce costs and 52.0% view digital as a business growth enabler.

Digital projects should align to measurable customer outcomes

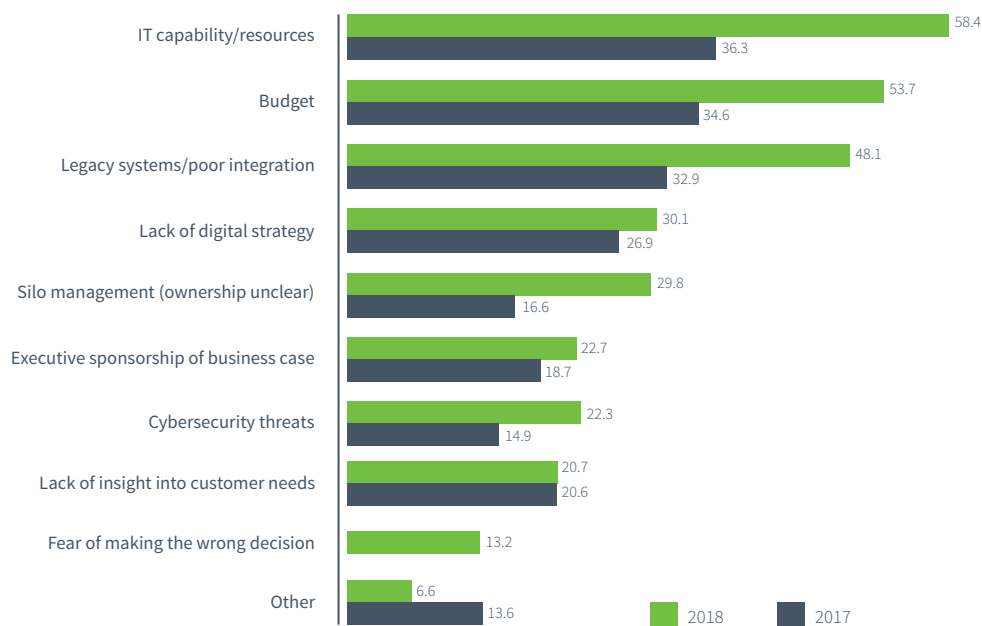
Delighting customers is an indisputable motivation for digital transformation. However, organisations are complex systems, with various critical components contributing to the success of transformation initiatives. It's important to have a holistic view of these and align digital transformation projects to measurable customer outcomes.

- **Create and prioritise data-driven transformation.** In a complex, fluid, and disruptive digital world, you can't rely on subjective or intuitive perceptions of where value lies. Data-driven CX transformation will help you focus on the right initiatives and respond to changes and opportunities in a more meaningful way.
- **Optimise your internal value chain.** Every employee, process, and piece of technology has a role to play in CX, either directly or indirectly. Be clear on how, and where, to avoid the risks associated with introducing new models in isolation.
- **Create a culture of delivering iterative value, no matter how small.** An outside-in approach that relies on constant customer feedback will help you make ongoing adjustments to improve CX and eliminate waste.



3.3 Resources and budgets are being stretched by digital transformation; nearly a quarter are concerned about cybersecurity threats.

Low awareness of customer needs and fear of making the wrong decision are also challenges.



What are the key challenges slowing your digital transformation? n= 873

Top four challenges the same as last year

Interactions on digital channels are falling short of targets, and the introduction of new channel options only compounds the issues organisations are facing. The top four challenges are the same as in 2017, and there's a clear indication that the top three are fast-growing issues. A complete rethink of the digital approach can help organisations overcome seemingly insurmountable blockages, and address related concerns such as ownership, business case sponsorship, and making the wrong decisions.

Cloud solutions can help address cybersecurity concerns

Cybersecurity threats associated with new digital channels can't be ignored; however, cloud technologies with built-in security controls offer increasingly accessible solutions to address this issue.

Know where value lies to prioritise the use of resources

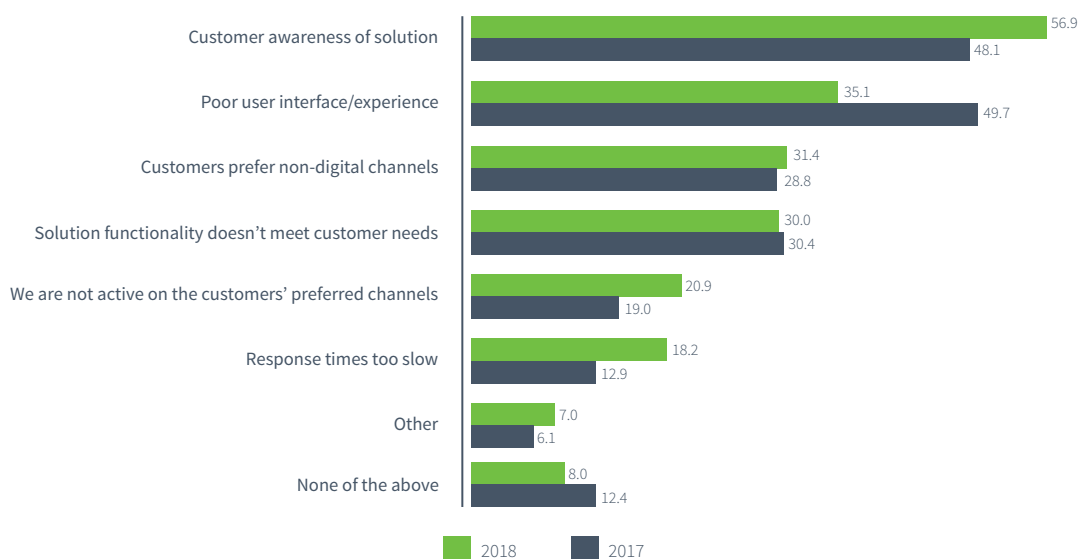
Operating within resource constraints is nothing new. By understanding where value is created for customers and having clear expectations of what digital initiatives could deliver, it's easier to prioritise the right initiatives and use limited resources effectively.

- **Be clear on what value needs to be delivered and how to measure the desired outcome.** This will help you focus resources and effort more effectively and say 'no' to the wrong things more easily.
- **Create an environment that protects business as usual while allowing the organisation to experiment, adapt, and transform.** Digitally born organisations may not have legacy dependencies but they also don't start with customers, market traction, or a strong balance sheet. Established organisations can't deprioritise one at the expense of the other.
- **Be responsive and direct attention to priorities that are based on what customers want.** A plan centred on progressive transformation means you don't have to know all the answers as you're not likely to be taking a huge risk on a 'big bet'. You'll be able to deliver value more quickly and more often, optimise, and limit exposure from risky initiatives.



3.4 Customer awareness is the main factor affecting the adoption and use of digital channels.

30.0% indicate solution functionality is not meeting user needs; 31.4% say customers prefer non-digital channels.



What are the main factors affecting customer usage of new digital channels? n= 873

Customer awareness a bigger issue than user design

There's been a large drop in organisations citing poor interfaces or user experience affecting the use of digital channels. The biggest problem now is not marketing these channels enough to raise customer awareness.

Meet customer needs on preferred channels to boost adoption

A growing number of respondents (31.4%) say customers simply prefer non-digital channels. Being active on customers' preferred channels, with services that meet their needs, will go a long way to encouraging usage.

Increase in slow response times

It appears organisations are pulling back on responsiveness levels on certain digital channels. Those citing response times as too slow are 41.1% more than in 2017.

Remember: you're still dealing with the same customer

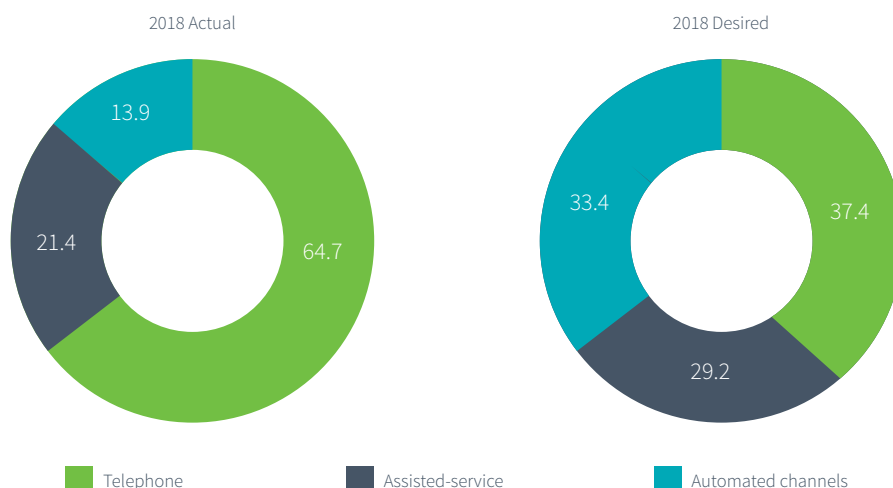
Digital and non-digital users are not different people. It's personal preferences that determine what customers expect from an interaction on any channel, not the channel itself. Some organisations are accelerating digital transformation in narrow, isolated ways, which creates the risk of exposing deficient channels or shifting bottlenecks. To avoid this, organisations need to look at integrating traditional and digital channels.

- **Consider customer needs holistically.** This will help you identify the right channels for the right purpose, and even retire channels that are not addressing customer needs well.
- **Make customer-driven decisions.** The way products and services are created and delivered, and how customers can interact with and consume these, should align with what customers want. Customer needs are constantly changing.
- **Separate hype from opportunity.** The delusion of digital has seen many organisations investing in technology or digital capability without seeing acceptable returns. As more technologies become available, stay focused on the value rather than embracing all channels simply because of the hype.



3.5 Organisations seek an even split of interactions across channels, but the reality falls considerably short of targets.

The uptake of digital channels has stalled, largely due to poor design, deployment, and management, and telephone is by far the most-used channel (64.7%).



What is your actual versus desired split of interactions? n= 627

Split of interactions regressing towards 2015 levels

The last few years have highlighted design inadequacies and an element of management neglect of digital channels, especially when compared with what are standard approaches on telephone-based CX services. Negative experiences with poorly designed channels have resulted in some customers reverting to telephone as their favoured channel.

Desired spread of interactions across channels has evolved



33.4%

There's been a significant increase in the drive to direct interactions to fully automated channels, from 23.7% in 2017 to 33.4%. This year, there's a 20.0% drop in desired volumes for assisted-service, but just a 6.0% decrease for telephone.

Understand how customer groups may want to interact differently

Industry talk about customers wanting alternative ways to interact with organisations often focuses on a perceived preference for self-service. However, it's important to understand that different generations, customer personas, and customer segments may want to interact differently. Additional research may identify fundamental reasons for the regression to traditional channels like telephone, but it's quite possible that new types of interactions are being deployed even if they're not right for the job.

- **Close the gap through user experience (UX) modelling.** This will help you determine the interactions and channels customers want or expect.
- **Take a pragmatic view.** Customers won't change their behaviour overnight. Be practical when looking at adoption as part of the journey to self-service, enabled by automation.
- **Change your view of failure.** Customers want to interact interchangeably across various traditional, digital, and new-age technologies. So, don't see continued telephone interaction, or lower assisted-service and automated interaction, as a failure. Rather, consider the journey to integrated channels against the backdrop of rich and diverse customer expectations.



3.6 Social media and smart apps are the top channel choices for under 25s.

Appetites for virtual assistants (AI) are low but expected to rise once the technology has been tested and proven to be functional, and is more widely available.

Contact channel	Under 25 years		25 to 34		35 to 54		Over 55	
Social media	1st	32.3	4th	15.8	6th	1.7	4th	0.8
Mobile application	2nd	27.1	2nd	22.3	3rd	5.8	4th	0.8
Instant messaging (incl. SMS & web chat)	3rd	18.1	3rd	20.4	4th	5.4	6th	0.5
Telephone	4th	10.3	4th	15.8	1st	51.1	1st	90.0
Email	5th	6.6	1st	22.6	2nd	34.2	2nd	6.6
Virtual assistant/AI (i.e. full automation)	6th	5.6	6th	3.1	5th	1.8	3rd	1.4

Which contact channel is most popular with the following age groups? n= 652

☆ *New question*

Channel preferences are much the same; instant messaging growing in popularity

Regional variances aside, social media remains the first choice for those under 25 (as it has since 2015). Mobile apps are still the second choice for customers aged 34 or under, a group that tends to embrace and work through new channels and has quite a different mix from other age segments. Instant messaging, including web chat and text messaging, has seen notable growth this year.

Telephone and email still popular with certain groups



15.0%

Among customers aged 35 to 54, we're seeing a surprising return to the telephone and email. For now, under 15.0% in this age group are prioritising other options. Telephone is the dominant preference for customers over 55.

Optimise channels for primary customer personas

Many organisations are trying to transform legacy infrastructure to deliver the right CX while at the same time introducing new channels. As more contact channels are introduced, it will be increasingly difficult to meet all customers' needs and cater for distinct nuances in expectations among customer groups. Rather, invest in optimising the right channels for primary customer personas.

- **Prioritise primary personas and their preferred means of engagement.** One channel often caters for many personas. Persona-driven execution ensures greater likelihood of success.

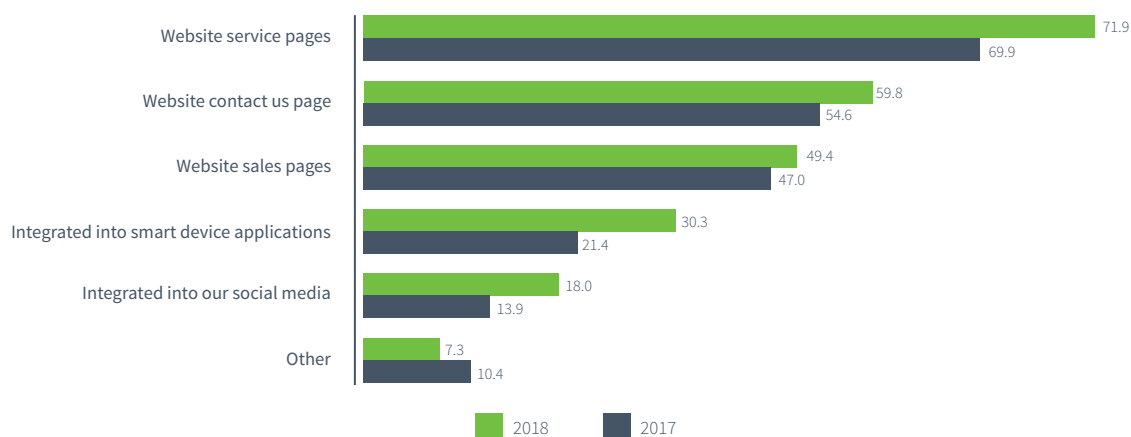
- **Distinguish between popular channels and those most appropriate for the job.** By optimising some channels to deliver a better experience that meets customer needs, you may not have to invest in difficult, new channels.

- **Keep close to how customer personas are changing.** Customer profiles and interaction preferences are shifting all the time, so you need a fluid way to deliver the right experiences, across many channels, for maximum benefit to both customers and the organisation.



3.7 Web chat is being deployed in a growing number of ways. Deployment priorities are unchanged.

There's been a surge in integrating web chat with smart app solutions; 18.0% of organisations have blended web chat with social media channels.



Users: where have you deployed web chat? n=356

Web chat set to grow significantly

While the overall percentage of web chat deployments has fallen from 2017 highs, there are several positive indications of significant future growth. It appears that organisations with web chat solutions are integrating this capability more broadly and deeply than before.

Increasing integration with other channels

Almost double since 2016, one in three (30.3%) organisations with web chat have now integrated chat functionality into the organisation's smart application solutions. Since 2017, there's been a 29.5% rise in those integrating web chat into social media channels.

Organisations refining where and when to offer web chat

Organisations continue to refine where and when web chat discussions will be available and where to prompt users for web chat as they navigate website pages. There's been a 9.5% increase in promoting this channel through 'contact us' pages. Web chat is more available on service pages than sales pages, which may be a surprise to some.

Other channels could fill the real-time information gap for customers

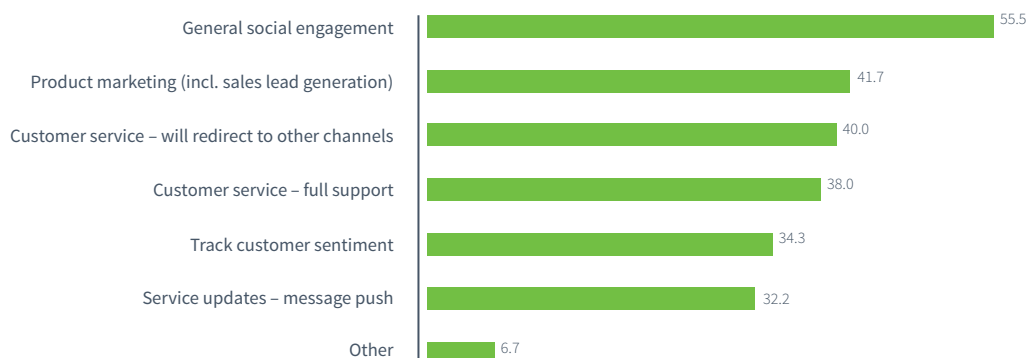
Wherever they are in the buying process, customers want to fill gaps in information as they consume content on websites or apps. Web chat is a way to meet customers' need for on-demand, real-time interaction – but if they're using it to quickly close information gaps, there may be shortcomings on the site or app.

- **Determine whether web chat is needed.** You may simply need to address a deficiency in content or process attached to service delivery.
- **Know where in the customer journey web chat is being used.** Is usage in line with CX expectations?
- **Consider AI as a long-term goal for web chat.** This will enable you to replace human-driven interactions with rich, virtual assistant chatbot experiences that will help you meet CX objectives at scale, and at a lower cost.



3.8 Organisations view social media as more of a customer engagement and marketing tool than a service support channel.

38.0% claim to provide full customer service support, a 4.4% increase from 2017.



Users: how are you using social media to improve CX? n= 568

Small increase in full-service support through social media

Seven in 10 organisations currently operate a social media channel. Social media is popular among customers, yet there's been just a 4.4% increase in providing full-service customer support on this channel (38.0%). More commonly (40.0%), customers with service or sales enquiries are redirected to other (perhaps less public) channels. The gap between these two approaches is closing, though.

Decline in tracking customer sentiment and sending service updates



36.8%

Organisations clearly prefer using social media to engage with and market to their customers. This makes the 36.8% drop-off from 2017 in tracking customer sentiment surprising, as is the 21.1% decline in those using this channel for service updates.

Is social media used to compensate for CX deficiencies?

Perhaps a contentious question here is whether organisations use social media to make up for deficiencies in the desired CX. In this case, having a great social media presence diverts attention from transforming how the organisation identifies and meets customer expectations.

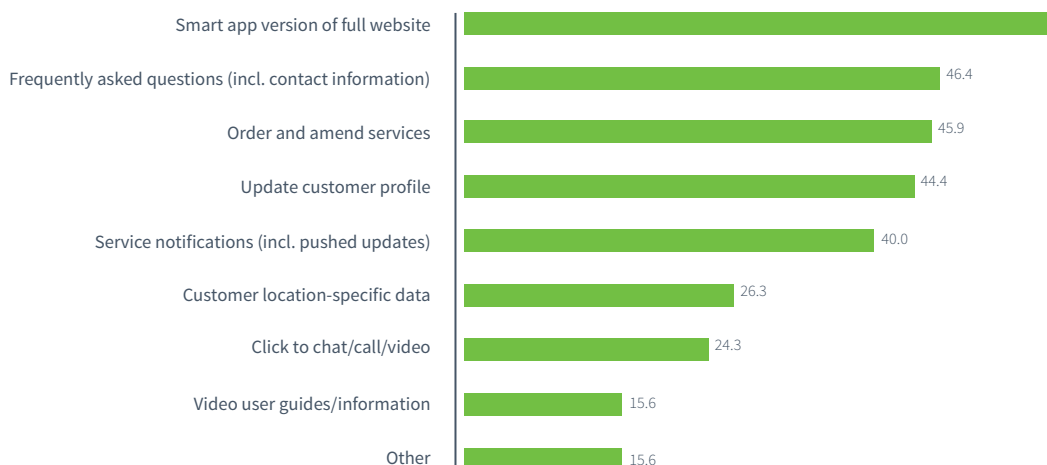
That said, social media is a powerful tool for interacting with customers. It should have the same process development, integration, and service management practices as other channels.

- **Identify the role social media plays in meeting your CX mandate.** Properly designed CX will help determine this. This should inform how you optimise performance metrics identified for lead generation and sales conversion opportunities.
- **Have the right focus for social media.** It may be great for responding to complaints, but this should not be the main purpose of this channel.
- **Integrate proactive engagement with social media as a feature of your product or service.** If you're proactively managing CX through social media, it's important to integrate these processes with your business model, rather than keeping them separate as part of the digital marketing team.



3.9 Emerging as an industry standard, smart app versions of a full website are up from 23.6% in 2016 to 58.3% this year.

Beyond the digital self-serve functionality available, a quarter (24.3%) offer a click-to-chat, call, or video option.



Users: what functionality is provided via your mobile application? n= 403

CX services on smart apps expected to increase

There's been an 7.8% drop since 2017 in organisations providing a smart app CX capability (now 51.8%). However, the intent is there, and this capability is expected to rise to 77.6% within a year.

Smart app functionality improving

Most organisations using smart apps are offering a version of their full website, with more functionality and consistency than these types of applications had previously. It's an important step forward and a shift in mindset from developing an app then adding occasional functionality on-the-go. The momentum is high: capabilities in this area have almost tripled since 2016.

Apps now incorporating complementary technologies like IoT and AI



26.3%

As complementary technologies such as IoT and AI have become more accessible, a quarter (26.3%) of smart apps now incorporate location-specific data and 40.0% are enabled for automated or push service notifications.

Desired CX should inform how capabilities are introduced

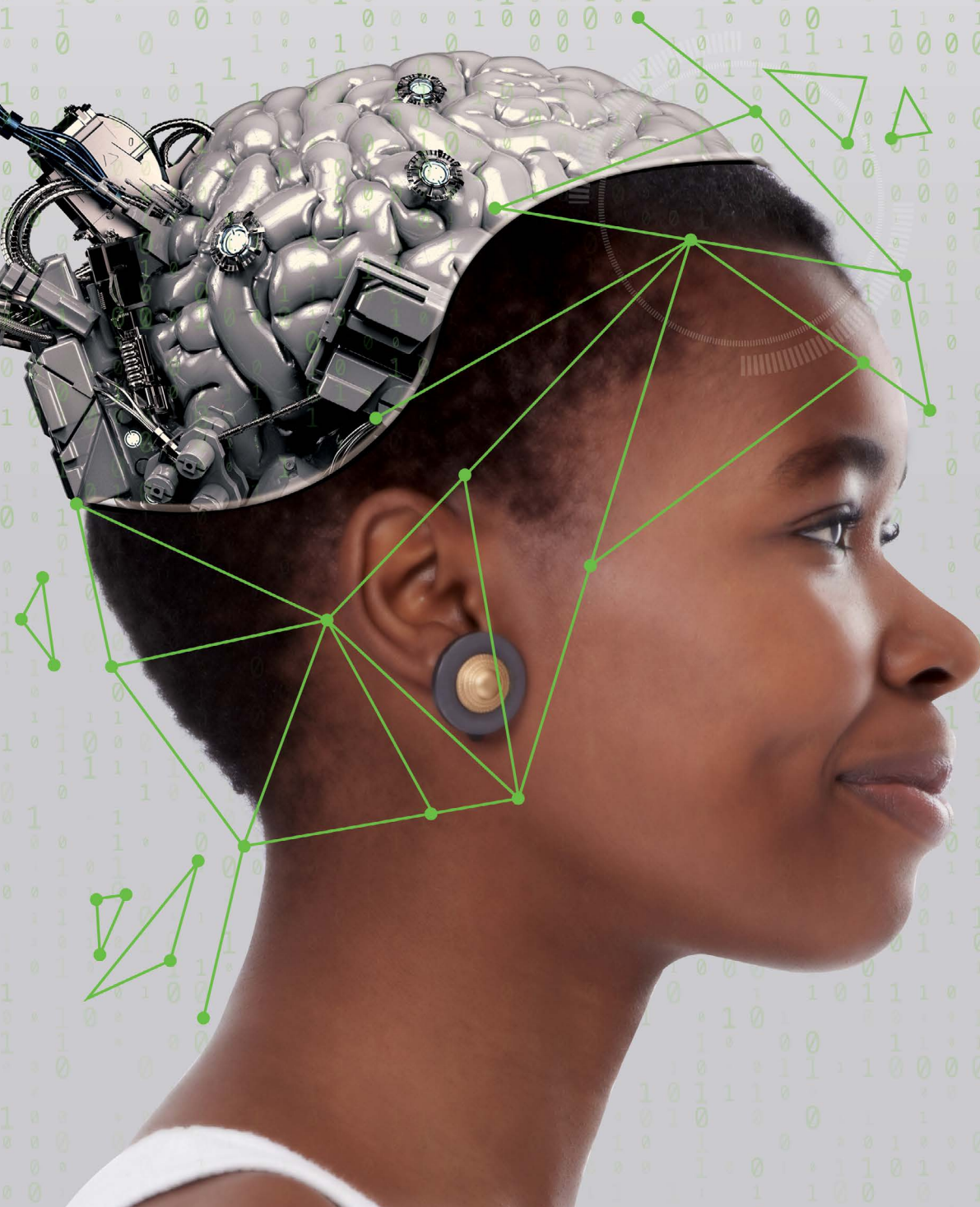
Smart apps continue to make progress in transforming how customers engage with and consume products and services. They provide an opportunity to migrate customer interactions to a self-service, content-rich platform. As quote-to-cash features are migrated to corporate applications, a holistic view of the desired CX should inform how these capabilities are introduced.

- **Apps are a channel, not a substitute.** However, the capabilities of apps may make other, less effective, means of interacting and transacting redundant.
- **Don't digitalise deficient processes.** This will only perpetuate customer frustration. Your CX strategy should inform the creation, functionality, and experience of the app.
- **Costs are part of the product or service lifecycle.** New features deployed on the app can cater for diverse personas, at a lower cost to deploy and delight.



04. Robotics and AI

Robotic automation and artificial intelligence are forecast to be the go-to model for future-proofing CX.



Robotics and AI: core to the future of CX operations

The change drivers:



Technology is catching up with the demand for digital.



Lower cost to serve.



Higher value to customers.

Fully automated robotics and AI solutions set to surge

Percentage of *organisations advancing AI*:



Virtual assistant will quadruple to **61.5%**



Proactive automation will triple to **59.8%**



41.4% will be *leveraging IoT*

What's motivating the desire to automate?



#1 improve *customer experience*



#2 cost *reduction*



#3 customer analytics – *detailed data capture*

What impact will automation have on CX operations?



88.3%

robotic and AI *volumes will increase.*



65.0%

overall interactions (*spanning all channels*) will increase.



63.9%

live agent interactions (*incl. telephone*) will decrease.



Next **2 years**

will see operating models *reshape significantly.*

How prepared are organisations to ride the unstoppable wave of automation?

Projections on agent-led CX activity that will be automated by 2020:

38.9% believe **1-10%** of agent-led duties will become automated.

32.7% believe **11-25%** of agent-led duties will become automated.

17.5% believe **26-50%** of agent-led duties will become automated.

Just 10.9% believe **>50%** of agent-led duties will become automated.

Less human intervention means



Less *security risk.*



Improved analytics *and understanding.*

Predict and adapt with robotics and AI.

You need to automate... but how?

- Design your digital strategy.
- Optimise your CX operating model.
- Encompass cultural adoption - EX and CX.



Let us enable your new, automated, and data-driven CX reality.

The technology is here, so embrace it

In recent years, the exponential advance of technologies that impart intelligence to automation has shaken the very core of how we deliver CX. We're moving away from a traditional, labour-intensive model to a technology-assisted model that optimises productivity and cost effectiveness, and requires a more skilled workforce.

Operations will become increasingly automated, but these changes won't happen overnight. It's therefore possible – and wise – to take a methodical approach to the transition.

Build your robotics CX team and educate the entire organisation about the changes. Start with simple tasks and move to more complex ones, using a combination of robotic process automation and AI. Above all, upskill your people so they're equipped to perform new, different, and higher-order tasks.



Meet our expert



Dr Harsh Vinayak

Senior Vice President, BPO, R&D & Global Business Shared Services at NTT DATA Services

Dr Harsh Vinayak leads research and development and the delivery of offshore business process outsourcing for NTT DATA Services. He has extensive expertise in designing solutions in various fields, from complex outsourcing architecture to rotary wing vehicles.

Expert insights

Technology is catching up with the demand for digital

Robotic process automation is quickly becoming an integral part of the new CX delivery model.

Technologies like predictive analytics, machine learning, and cognitive computing are becoming more powerful. We're no longer speculating about this technology in CX: it's already here. AI is burgeoning and may even become a primary CX channel. Machines are certainly taking over in some areas, but not all.



We're now on the other side of the hype cycle, as we have the computing power to deploy algorithms for narrow AI – intelligence that performs a particular task, like reading text or recognising speech.

At some point, general AI will bring everything together and the role of human agents in CX will evolve to primarily managing escalations to AI.

Don't fall for the hype

It's just a matter of time before quantum computing creates a new reality that takes us far beyond current capabilities. But there won't be a 'Eureka!' moment we can look back on as the tipping point when technology replaced humans altogether. Rather, we'll see a steady transition to AI.

We're still a few decades away from AI that connects narrow channels, understands unstructured data, senses and adapts to small changes in the environment, and generally works in a more human way.

What's important now is to sift the reality from the hype and approach automation and AI strategically and systematically.

Human intelligence will play an increasingly important role in CX



AI is here to stay, and it will increase, but that doesn't mean we're eliminating the human element. Far from it.

Human productivity is now being challenged from the bottom up. As more tasks are handled by machines, agents will no longer simply fetch and analyse data. They'll be expected to perform free-thinking,

higher-order tasks, like gathering and understanding unstructured data, looking at patterns, and having more meaningful conversations with customers as they solve complex queries. In effect, humans will move up the value chain.

Lower cost to serve, higher value to customers

As a result, the per-person cost of the human workforce will increase; however, the overall costs of delivering the CX service will decrease. Why?

With the assistance of AI, we're able to offer more value to customers in the form of new or enhanced services. The more we offer, the more customers will expect us to deliver. We'll continue to see an increase in queries handled as customers are able to contact us and get information more easily than before.

Overall transactions will go up but, as many tasks are handled by machines, the cost of service delivery will be proportionately lower.

Successful automation deployments require planning and expertise

Automation can result in higher productivity, lower costs, and improved governance and reliability. But to implement these technologies successfully, you'll need a robust strategy and a centre of excellence where experts from different parts of the organisation – technology, operations, security, and so on – can innovate with new, functional models and iterate to excellence.

It's relatively easy to run a proof of concept on a few processes in isolation. It's when you start trying to scale and integrate projects that you encounter bigger challenges, like network integration when migrating to or integrating with cloud-based platforms, security protocols, or realising your IT team isn't equipped to support automation.



Having a centre of excellence will help you avoid glitches like an operating system patch that changes an on-screen display, resulting in a bot failing to locate a customer's name on screen.

It's also important to use CX metrics to build intelligence and measure the success of your robotics and AI deployments. Are you doing things better, faster, and cheaper? It's the quality, not quantity, of automation that counts.

Conduct extensive testing at the boundary

AI deployments are set to triple in the next two years. The inherent danger of these models is that the rules engine they automatically build – their ‘brain’ – can’t be deciphered easily by humans, so you can’t be sure what the model will do. It’s therefore vital to conduct extensive testing to see how the machine processes information for different use cases.

Secure your bots

With bots going out to read data and post results, you’ll need to secure various pieces of software across the firewall. And if your bots are going outside the firewall, you’re a lot more vulnerable to attack.



Security experts and industry bodies, like the Institute of Electrical and Electronics Engineers (IEEE)¹ for example, are looking at ways to secure and certify bots.

But, because this technology is so new, the security capabilities aren’t there yet. Our advice is to proceed with caution.

Manage your blended workforce holistically

Rather than treating your digital and human workforces as separate entities, see them as one unit. Use dashboards to manage and requisition bots as well as human agents, and allocate tasks to them as part of the same workflow, using the same workflow management tools.

Make your workforce bot-savvy

As routine tasks are replaced by automation, you’ll need people who can implement and run the bots, check that they’re working properly, and update them based on the changing needs of your customers and organisation.

If this all seems a bit futuristic and overwhelming, remember that this shift in activity is nothing new – it’s something that’s happened throughout the course of history.



For example, between 1942 and 1945 the number of telephone operators in the US dropped from 750,000 to 22,000 because of the introduction of automated exchanges.²

Employment in the industry grew overall, however – it was just this segment of labour that shrunk.

In CX operations, we’ll see an increase in digitally assisted human work, with fewer people answering customer calls and more people implementing and managing bots.

We believe it’s the organisation’s responsibility to train people to be experts in how to configure and work with bots. Organisational change management is critical here: jobs will change, and it’s up to you to develop your people and move them up the curve.

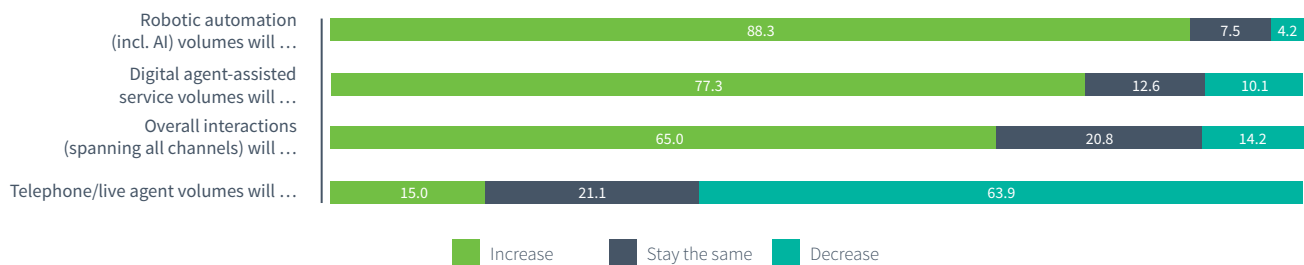
1. IEEE Guide for Terms and Concepts in Intelligent Process Automation, IEEE 2755, 2017

2. ‘Women telephone workers and changing technology’, U.S. Department of Labor, WB Bulletin 286, 1963

Data insights

4.1 Fully automated AI and robotic automation solutions are set to surge by 2020.

65.0% of organisations predict that interaction volumes will grow in the next two years, across all channels.



What impact will AI, robotic automation, and digital transformation have on your CX operations in the next two years? n= 714



Mix of channels set to change at a rapid pace

Digital volumes haven't developed as anticipated and fall short of targeted levels. Now, investment in digital agent-assisted channels and a growing prevalence of robotic capabilities means the digital mix is set to change rapidly. Most organisations expect digital transformation to intensify in the next two years, and the average number of contact channels offered is projected to increase to 12 by the end of the year.

Interactions expected to grow across all contact channels

Looking ahead to the end of 2020, 88.3% of organisations anticipate that more interactions will be handled by robotic automation.



77.3%

Over three-quarters (77.3%) expect digital agent-assisted service volumes to increase. So, it's no surprise that 65.0% expect interactions to rise overall, across the spectrum of contact channels.

Pass-through CX operations now a reality

Speech recognition, together with ever-learning, intelligent engines, will enable customers to obtain information effortlessly or execute orders without ever talking to a real human being. This use of robotic automation will enhance CX, which will also contribute to a growth in interactions.

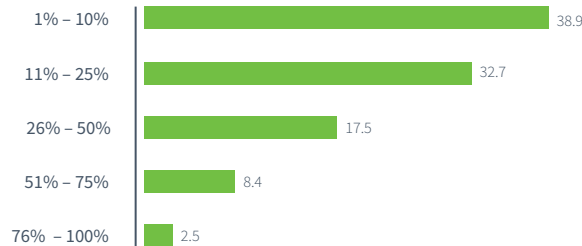
Be vigilant and prepare for the digital rush

- **Intelligent automation finally seems to have tipped the hype curve**, and now offers effective and practical solutions to real problems ... but be vigilant about what's out there.
- **Prepare for the acceleration in digital solutions** by getting your team together and training your agents to be bot-friendly: the repurposing of your team is around the corner.



4.2 One-third believe 11% to 25% of agent-led CX tasks will become automated within the next two years, but most say under 10%.

Just 10.9% believe more than half of agent-led CX activities will be migrated to robotic automation and AI in the same period.



What percentage of your CX activity, currently supported by live agents, do you realistically believe will be fully automated within the next two years? n= 759



Robotic automation and AI set to increase by 2020

Robotic automation and AI are confirmed as the channel capability areas forecast to grow most during the next year, and a huge 88.3% of organisations project increases in robotic automation and AI volumes by 2020.

For many, the key questions are: How much growth is possible? What percentage of CX activity currently supported by live agents will be fully automated in the same time?

Most organisations believe that most tasks are not ready for automation

The answer for 38.9% of organisations is: less than 10%. Another third (32.7%) believe that 11% to 25% of interactions currently handled by agents will become fully automated within the next two years. The most aggressive forecasts are held by just 2.5%, who believe that upwards of three-quarters of their agent-led CX operations can be automated.



25.0%

Our view is that at least some processes will be automated in almost all CX operations. We'll see more bot-assisted human operations, where neurolinguistic programming and AI, for example, will enable the automated closure of calls, reducing average handling time by 10% to 25%.

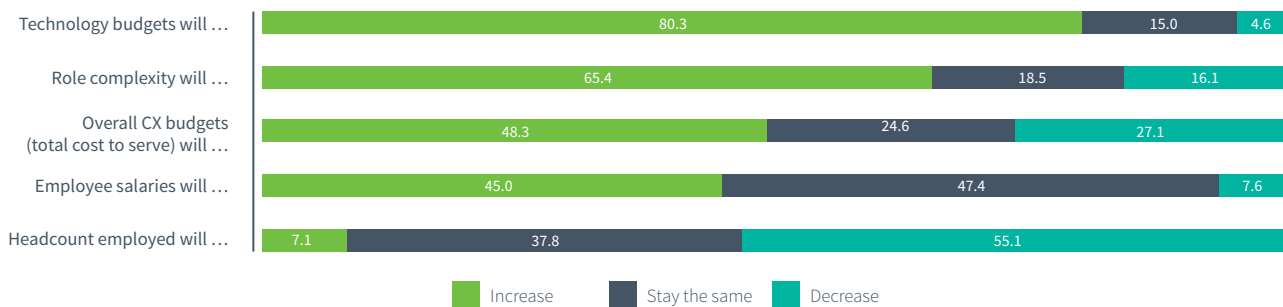
Be prepared to ride the unstoppable wave of automation

- **Automation is not a big bang but a gradual, unstoppable wave** – a wave that's already upon us. CX preferences of the next generation, coupled with massive advances in digital technology, means the change to automated services may be faster than we expect.
- **Don't get blindsided!** Start engaging your organisational change management teams to plan for the eventual evolution of CX agents from call-takers to bot-handlers.



4.3 In line with an increasing reliance on digital channels, 80.3% of organisations forecast a rise in technology budgets.

While 55.1% expect headcount to decrease, 65.4% say the complexity of agents' roles will grow, and 45.0% say salaries will need to increase.



How will advancing digital transformation (incl. robotics) impact your operating model in the next two years? n= 732  *New question*

Technology budgets expected to continue rising

Our 2017 report showed an enduring trend of annual budget increases for CX technology, in support of continuing digital transformation: a trend that shows no sign of abating over the next two years.

Organisations must invest in, not spend on, technology

Increasing contact management channels and capabilities, greater customer demands, and higher levels of customer interaction present growing challenges. It's now critical to validate business cases for new initiatives and secure returns on investment.

Agent role is changing: headcount may drop but salaries will rise

With digital channels increasing, employee headcount is expected to decrease. However, agents will be responsible for complex queries and managing escalations when digital functions fail to meet customer needs – which explains the anticipated increase in salaries. A significant portion of the cost of servicing will move from the COO's budget to the CIO's.

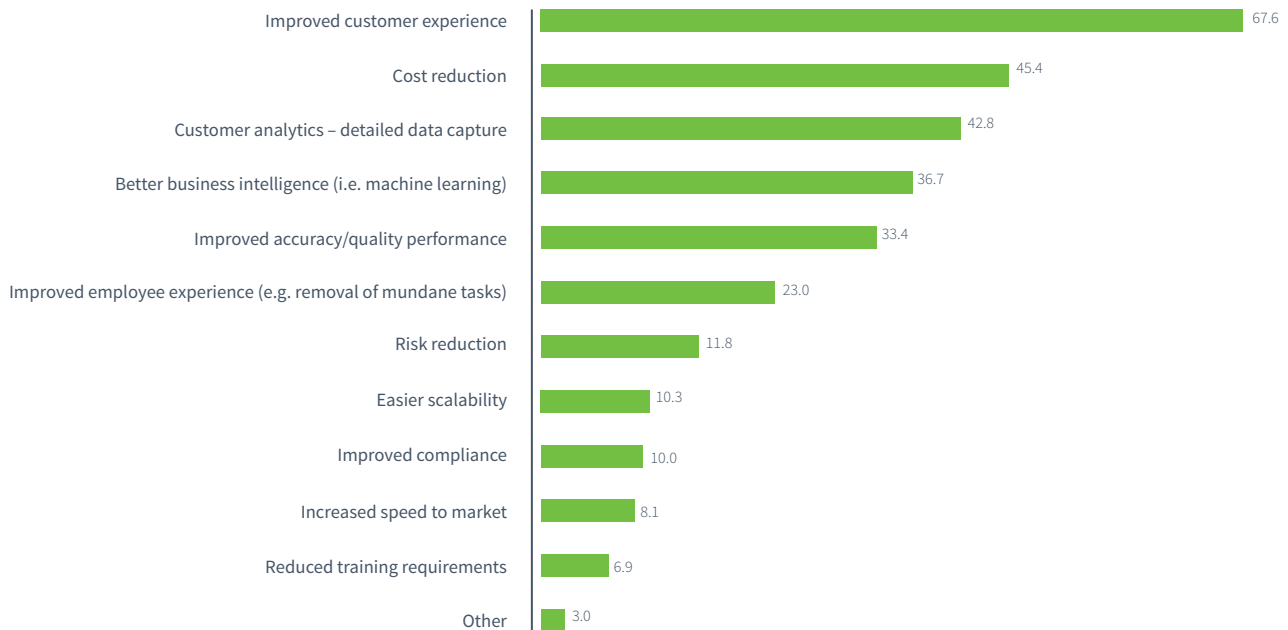
Don't wait: build your CX centre of excellence today

- **These changes require a systemic transformation** that involves technology, human capital development, organisational change management, and, of course operations working together. No silos!
- **Do you have the right people to handle more complex roles?** Start now to invert the resource pyramid so you can roll with the digital wave.
- **Invest in developing skills and competence.** Organisations with a longer-term strategic view on technology readiness and human resource redevelopment will be able to make this shift successfully.



4.4 Improved CX is considered the top benefit of introducing robotics and AI.

Organisations also seeing AI opportunities in customer analytics and business intelligence.



What does your organisation consider as the top three benefits of AI and robotic automation? n= 788

New question

Improved CX now the main perceived benefit of robotics and AI

At the start of the automation journey about a decade ago, the primary driver for almost all organisations was cost. However, with advances in AI-powered automation, they're now realising that the biggest benefit is improved accuracy and speed of execution, leading to improved CX.

Cost savings still high on the list

Reducing costs through automation continues to be a strong driver for robotics and AI, particularly in the energy and utilities sector, where it's the top outcome for 68.3% of organisations. This is also the only sector not to rank CX as the top benefit.

Analytics and business intelligence no longer afterthoughts

Long considered as add-ons to CX operations, customer analytics and business intelligence are now embedded in AI-driven automation, and rank third and fourth on the list of benefits this year.

Improved employee experience an additional benefit

Some 23.0% of organisations also believe AI and robotics will improve the employee experience, by taking over mundane tasks from agents.

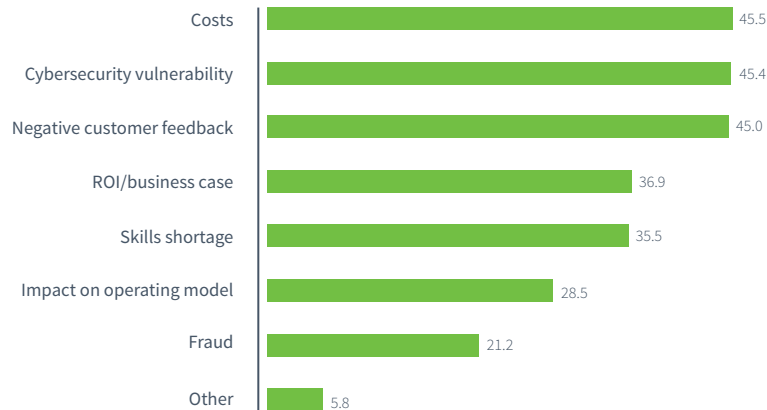
Look at more than cost savings when assessing return on investment

- **To meet rapidly changing market demands**, you need agile, low-inertia architecture that's capable of rapid changes.
- **Automation is key** to the design of such architecture.
- **When assessing return on investment**, the growth potential resulting from improved services may be significantly higher than the gain from cost reduction.



4.5 The top three risks or fears relating to robotics and AI – costs, security, and negative customer feedback – are almost inseparable.

Uncharted territory also makes it difficult to validate the business case for, and return on investment in, these technologies.



What do you consider as being the main risks/fears with regard to AI, robotics, and automation? n= 789

New question

Costs and return on investment are major concerns

Cost is now seen as the main risk associated with robotic automation and AI. Technology budgets have been stretched by investing in a wider range of digital channels, but many organisations are not seeing a return on that investment. Inadequate measurement, silo management, and poor promotion of these digital services are some of the reasons for this.

Cybersecurity a potential high-profile showstopper

Cybersecurity vulnerability is the main risk identified by organisations in the financial services, hospitality, and technology sectors. Unless cybersecurity is managed well, it will be a high-profile showstopper for robotic automation and AI.

Concern about negative customer feedback a potential inhibitor

Improved CX is seen as the main benefit of these technologies but there's great concern about getting it wrong. To address the risk of negative customer feedback, it's critical to have a business plan that clearly identifies how automation will meet customer needs.

Start small, aim high, and take your time

- **Create an enterprise-level automation framework first**, then let business units innovate under its guidance. This helps ensure security while leaving room for innovation within business units. Be sure to include your information security management system in the framework.
- **Unless you're implementing a packaged solution**, start with simpler processes and move towards AI last.
- **Consider at least a year when calculating return on investment**, or the cost of implementing automation will always be an inhibitor.



4.6 Reducing the need for human involvement in processes and tasks is seen as the main impact AI will have on mitigating cybersecurity risks.

38.5% of organisations expect to see benefits through enhanced threat detection capability, while 30.4% believe compliance levels will be improved.



What do you think will be the main impact of AI and/or machine learning on cybersecurity? n= 789

New question

Less human intervention means less security risk

Cybersecurity has been noted as a major risk facing organisations seeking to leverage new AI and service automation technologies. While the risks can't be ignored, those same technologies are also expected to address certain security issues, by reducing or eradicating human intervention.

AI can help to detect threats and fraud



38.5%

Over one-third (38.5%) of providers anticipate that automation will also help improve threat-detection proficiency. AI-based automation is successfully used for fraud detection and prevention, and is a must for financial services institutions.

Trade-off between risk and reward

While cybersecurity threats may grow in tandem with the rising use of digital solutions, these solutions can also help to enhance visibility of security threats, and mitigate certain risks.

Industry bodies are getting serious about bot security and are creating standards to address the threats inherent in these automations. At the same time, organisations are realising the benefit of enhancing cybersecurity and fraud detection by using AI that can make correlations faster than any human brain.

Secure your bots

- **Bots often work across firewalls**, so they're vulnerable to cyberthreats.
- **Make sure you include** internal or external bot security experts in your CX automation centre of excellence.
- **Security bots are being designed** to continuously monitor the vulnerability of other bots. It's worthwhile having some of these in your library.



05. Customer analytics

Customer analytics transforms into market intelligence.



Customer analytics: data to reshape CX



Analytics named the top factor to *reshape the CX industry for the fourth year running.*



Only 13.5% say their current *analytics capability is optimised.*



Top 3 types of customer data collected



#1 voice of the customer feedback



#2 customer journey data



#3 demographic

Using customer intelligence to innovate and create market disrupting CX



72.7%

are using analytics intelligence to inform *product and service transformation.*

Of those...



23.9%

will validate their proposition strategy *against external benchmarks, including emerging CX innovation.*

YET majority of teams unable to see real-time, cross-channel view.

Where is CX being personalised?



35.1% targeted marketing



31.1% dedicated contact paths/person



30.5% customer loyalty schemes

BUT, service personalisation techniques are mostly reactive and manual



49.7%

say personalisation is *reactive* (relies on customer self-identification).



37.1%

say personalisation is *partially automated.*



13.2%

say personalisation is *proactive and automated.*

Customer analytics - converting data to intelligence



76.1% have mechanisms to capture *customer feedback.*



71.0% can access business intelligence reports/dashboards.



Customer analytics systems now at **64.6% (a rise of 34.3%)**

BUT big data analytics (combining data from all channels) *drops to just 35.3%.*

How is customer data being used to improve service offerings?



#1 refine *product/service features*



#2 introduce new *products/services*



#3 revise *operating models*

Data, data everywhere ... analytics the missing link



Listen

Ensure your analytics considers the *source and includes the customer.*



Learn

Be clear about what you want *to achieve.*



Adjust

Adapt your data analysis objectives to satisfy *changing customer demands.*

Enable and differentiate context-driven customer experiences.

You need to understand...but how?

- Use customer intelligence to make decisions that generate positive change.
- Eradicate data gaps through consistent reviews of CX, across interactions and channel types.
- Predict and adapt - proactively review and refine analytics solutions to meet your business and customers evolving expectations.

Let us provide you with actionable business intelligence to drive more meaningful engagements.



Listen, learn, and adjust

Powerful new technologies and digital solutions are making it possible to translate accessible big data into valuable ‘small’ data: useful pieces of intelligence you can use to improve processes, personalise services and offers, and make CX operations more efficient.

Connected customer journeys, next best actions, and hyper-personalisation are great CX aspirations that data analytics capabilities promise to make possible. However, as this year’s findings reiterate, customers still want minimal effort and ease of resolution when they deal with your organisation. Don’t lose sight of this when determining which data to collect, and how.

Start by imagining yourself as your own customer. What’s the most straightforward route to where you want to be? How can you make that happen? Keep listening to your customers so you can adjust what you’re offering to meet their demands.



Meet our expert



Rachael Broughton

Senior Customer Experience Consultant at Dimension Data

Rachael has over 15 years’ experience in CX. She works with clients across the globe, in all industries, to help them deliver insight-driven CX improvement initiatives.

Expert insights

Data, data everywhere ... analytics the missing link

It's not a lack of data that's the problem: untangling the data you have to get to what's relevant, and what's useful, is what many organisations are struggling with.

Data analytics has been identified as the main driver of CX and customer satisfaction for the last four years, yet this year only 13.5% of organisations rate their current analytics capability as optimal. For many, cross-channel data analysis is limited, so it's difficult to connect customer journeys and get a consolidated view of CX.

Legacy systems aggravate the problem, as these platforms don't communicate or share information with each other easily. Regulations governing the use of data also add a level of complexity to designing analytics systems with the right level of security for using and sharing customer information.

Use customer intelligence to make decisions that generate change

To address these issues effectively, you need a solid CX strategy that's based on a well-defined understanding of what you want your analytics systems, processes, and technology to achieve.

Data analytics should drive decisions and change in the organisation. Almost every interaction is data-driven and most customers know you're collecting their information as they transact with you. What frustrates them is when you don't use it to make their lives easier.

Use data intelligently to respond to what customers want and to make positive changes.



Before you implement anything, be clear about what it is you wish to achieve, or you'll be creating, rather than fixing, problems. Assess where you are, where you want to go, and the best way to get there.

Look at what you currently have in place. How are your people and technology resources being used? Could they be better used elsewhere?

Go straight to the source(s)

Analytics starts with data, and we're all familiar with the 'garbage in, garbage out' concept. Given that quality of input determines quality of output, consider which sources of data will be most beneficial to your analytics models and what you want to achieve.

Use voice of the customer (VoC) programmes as part of an ongoing cycle of change and innovation.

Disruptive organisations are getting their customers to test everything, from new products and services to revised CX models, and they're using the feedback to refine what they're offering to better suit customer needs.

Venture beyond traditional data-collection methods to gather 'silent data' – things the customer *doesn't* do or say that give clues to what may be causing churn or abandonment. Many customers won't complain to you directly, so monitor social media and consumer platforms to gauge customer sentiment more accurately.



Employees are another valuable, but often under-used, source of information on customer desires, demands, and frustrations. Incorporate voice of the employee feedback into your data analytics strategy to capture this valuable intelligence.

It's concerning to see that organisations are neglecting to gather data on transactions that take place on digital channels. If you're not tracking these, you're missing out on insight into the customer journey that will help you understand the impact these channels are having on CX – not to mention return on investment and cost to serve.

Digital channels may have been pitched as cost-savers but if they're not being used effectively, they could actually be contributing to higher costs in the form of increased customer queries and busier agents on the phone or in branches.

Small data, big impact

Big data is a big focus, but small data is also important. Remember that data is information about a person, so make it personal.



Customers set their own parameters and it's important to take note of these. Pay attention to things like contact preferences – don't send text messages to customers who choose only email as a contact preference.

Connect the dots by tracking simple things throughout the customer journey, like the customer's name. Is this carried across in every interaction? These small details demonstrate respect and build customer trust and loyalty. They're also critical building blocks for hyper-personalisation.

What often makes these seemingly simple tasks such a massive headache is when the data used on different platforms isn't structured in the same way. This could be something as basic as the way dates are formatted,

for example: the data is correct, but it's technically inconsistent. Or some systems may use codes that need to be translated into text for the data to be of any use.

These issues must be addressed as part of your systems integration strategy, or you'll be missing out on important data sources and links, or running the risk of data integrity issues. Crafting a data design methodology that can be applied across all data sources is a solid starting point.

Align the organisation to a customer-centric view

If your organisation isn't aligned internally, you won't have a chance of working with data effectively or understanding analytics thoroughly.

The success of your data analytics strategy hinges on how effectively you can gather and share information throughout the organisation. You need to augment standard service-based data with customer intelligence to help you see relationships between data. Identify predictable patterns and communicate this information effectively so it can be used by customer-facing teams and incorporated into quality management and training processes.



Embed your CX strategy into your organisational design to encourage ownership and delivery of customer information across teams – not just at a single point in time, but all the time, covering all customer touchpoints.

Take your employees on the journey so they know what it is you're trying to achieve and how to promote new channels or services to customers.

Keep third parties in the loop as well – tell your partners and vendors what you've discovered so that they, too, can deliver according to your customers' expectations.

Where to next?

While data analytics capabilities are not yet fully embedded in CX, we expect to see an increase in data-driven CX in the next five years.

Data collation and data mining still rely heavily on human algorithms and questioning. Cognitive learning, machine learning, automation, and AI will start to change that. Machines will be taught to gather data and look for patterns and relationships that can suggest next best actions based on intelligent learning. They'll be able to both predict the question and supply the answer.



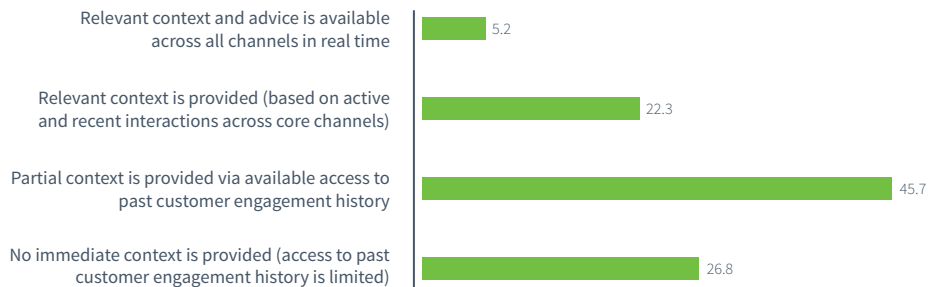
Analytics capabilities will become more sophisticated and data sources will grow. Regulations that govern which data you're allowed to collect and keep, and how you use it, will require constant vigilance.

The way organisations interact with data will change dramatically. What's important is being able to use what you have in order to make continual adjustments to satisfy changing customer demand.

Data insights

5.1 27.5% of organisations have access to context that directs relevant customer engagement across all channels or core channels.

26.8% have no way of providing immediate context, so in effect will have to treat each engagement broadly.



How is information used to drive relevant, context-based customer engagement? n= 757

New question

Context-based analytics enables personalisation

A key advancement in analytics is being able to use available data to develop context-based interactions that enhance engagement with the customer and allow agents to present relevant offerings aligned to each customer's personal needs.

Prestige-level brands have greatest capability

It's a capability that's been recognised as key by prestige-level brands, 35.8% of which can provide relevant context over their core channels, or all channels, in real time. Just 15.3% of self-described budget-level brands can do the same.

Automotive industry a few streets ahead of the rest



48.5%

The automotive industry has, by some distance, the greatest capability to use data to inform relevant CX and enable high-value transactions (48.5%). Media and communications organisations follow next (32.4%).

Context-driven interactions can boost customer loyalty

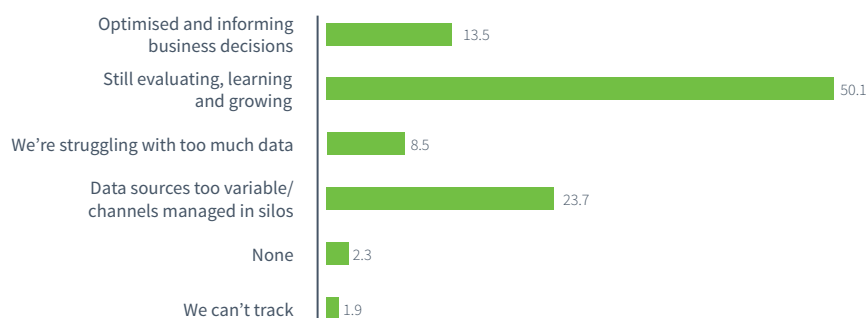
Customers share their preferences daily. By using relevant data content within the context of customer interactions, organisations can get greater value from the interaction. So, too, can customers, which helps to boost trust and loyalty. The key to getting traction in this area is to use data to drive relevant, context-based dialogues.

- **Use context-driven marketing** to structure marketing campaigns that align with the context and content of customer conversations, rather than traditional campaigns that expect customers to align with how you've chosen to market products or services.
- **Use context to give useful advice to customers** and deliver value to them throughout the customer lifecycle.
- **Consider adopting robotics or AI** to gather data that allows you to provide context across channels, and enhance CX by initiating timely and relevant interventions.



5.2 Analytics again voted the top factor that will reshape CX, yet only 13.5% rate their current capability as optimal.

Just 8.5% say they're struggling with too much data, and almost one in four say data sources are too variable to be used effectively.



What best describes your data analytics capability? n= 778



Operations in Middle East & Africa have most optimised capability

Globally, just 13.5% of organisations report using optimised data analytics to inform decisions. MEA bucks regional trends with a standout capability of 19.2%. In the Americas, 13.6% are struggling with too much data and another 28.0% say data sources are too variable, or information is managed in silos (the global average is 23.7%).

Multichannel contact centres struggle most

Physical sites, such as high street branches and retail outlets, are the ones most challenged by having too much data. However, at 25.0%, their optimised analytics capability is almost twice that of multichannel (contact) centres (12.8%).

Opportunities to develop market intelligence



50.1%

Overall, most organisations (50.1%) say they're still evaluating, learning from, and growing their data analytics performance. The 23.7% with too many data sources have an opportunity to align content and develop intelligence that will help to differentiate them in the market.

Customer-centric analytics approach will help to focus efforts

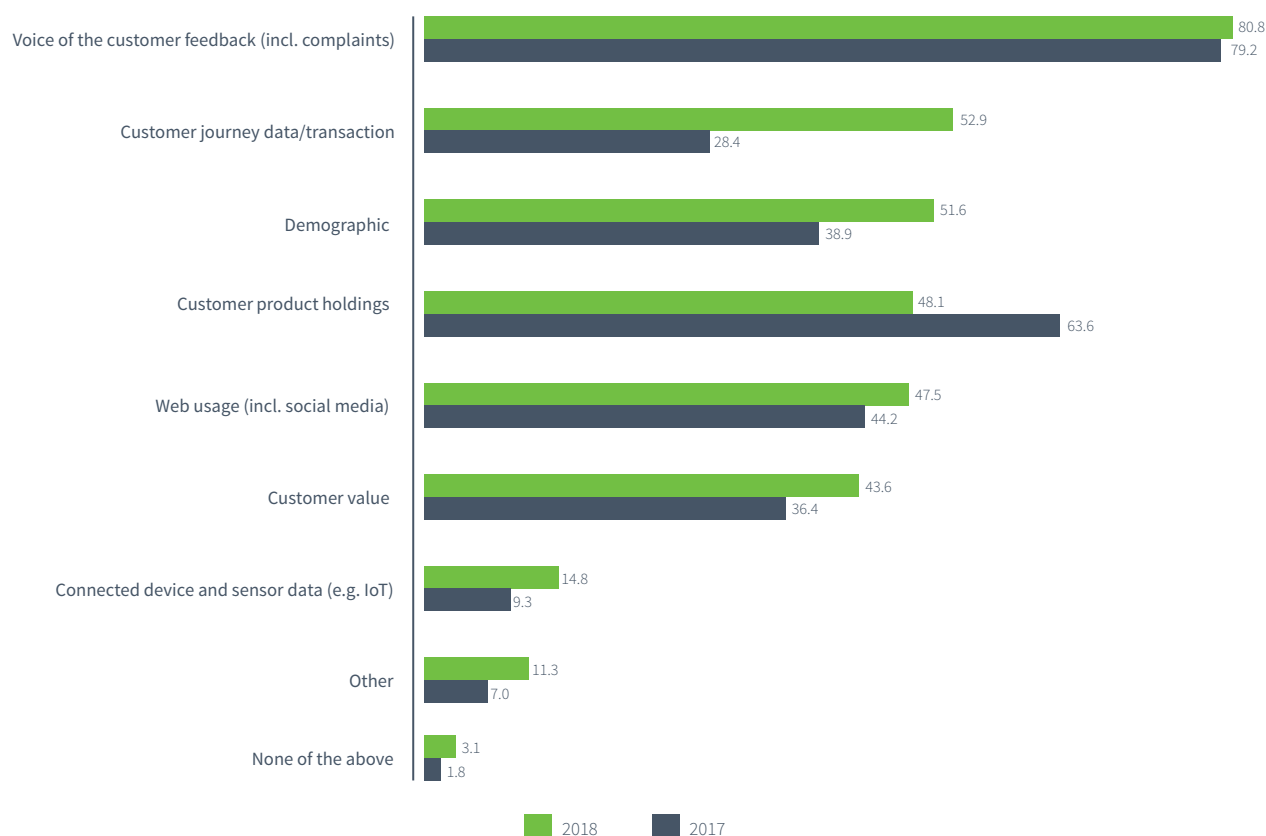
As the results show, all industries are struggling with analytics. Organisations are drowning in data, and the challenges of keeping data consistent and maintaining compliance are going to exacerbate this further. But, given its perceived value in helping to advance CX, analytics is an area worthy of investment. Taking a customer-centric approach to developing analytics capabilities will help you focus your efforts for maximum effect.

- **Define a clear strategy for customer analytics** that will help you turn data insights into value-adding actions.
- **Embed a culture of success** by using analytics to inform operational change.
- **Empower your workforce** with meaningful information that helps them better connect with customers.



5.3 Data collection levels continue to rise, with information being sourced from an ever-widening range of channels.

Customer journey data has seen the greatest growth, and there's also been a significant increase in the collection of demographic data, up by 32.6% from 2017.



What customer data do you collect? n= 777

Voice of the customer heard the loudest

By some margin, voice of the customer (VoC) feedback is the leading choice of customer insight data in every industry sector. Globally, over four in five organisations (80.8%) will actively seek such information.

Customer journey, demographic, and value data trending upward

The collection of data on customer journeys has almost doubled since our last review and is now at 52.9%. Demographic information, another area that's trending, has increased by 32.6% and is now common in over half (51.6%) of CX operations.



43.6%

Customer value is the third top trend emerging this year. Having grown by 19.8%, it's now at 43.6% globally. It's gained particular traction in the financial services sector: customer value metrics are being collected by 59.5% of insurance and 52.0% of banking and investment businesses. It's also favoured by physical-site CX operations, such as retail outlets.

Take action on customer feedback data

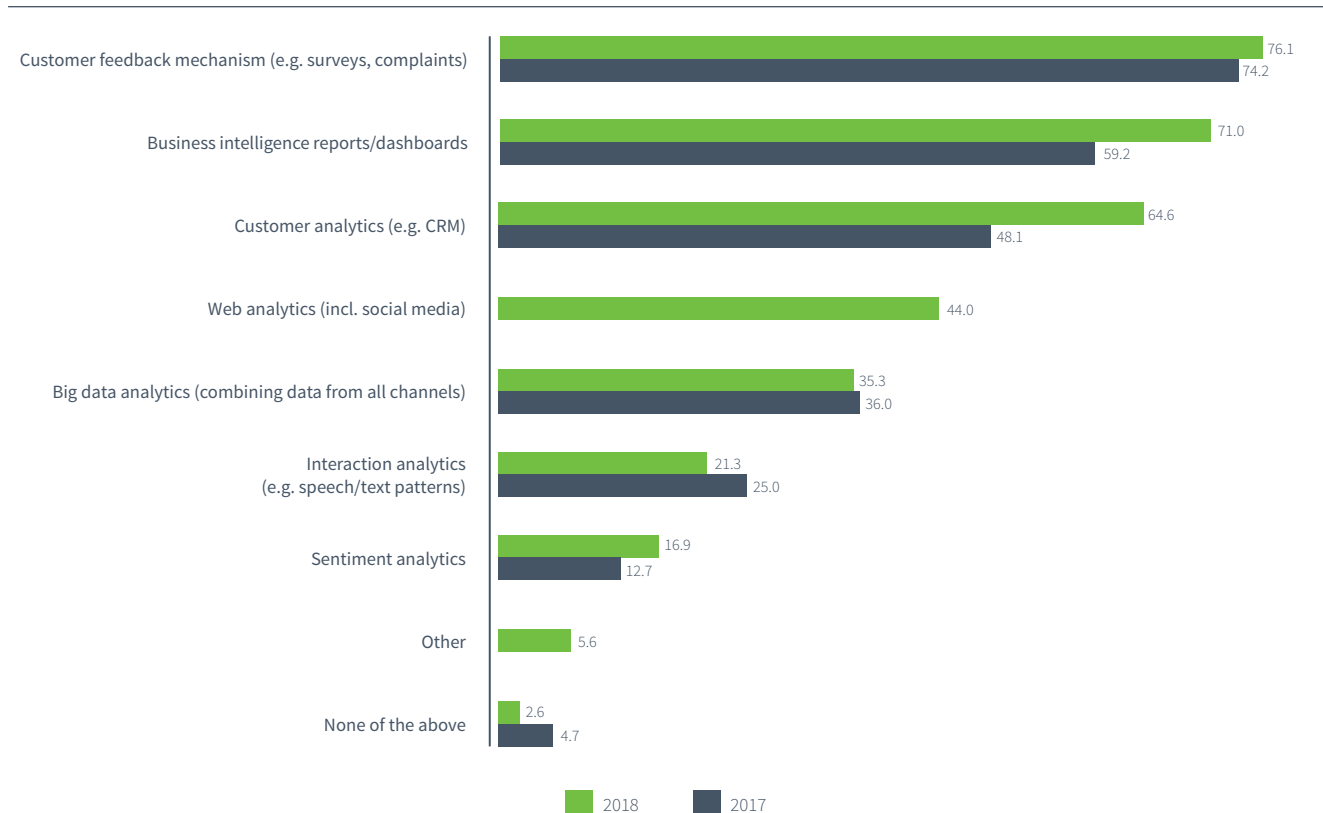
The key to extracting value from the data you collect is using it to drive cross-functional improvements and communicate what you have delivered. Customers give feedback for a reason, and one of their biggest frustrations is when organisations don't act on it.



- **Create a VoC framework** that's embedded in your strategy, vision, and mission. This will help to drive improvement from the heart of your organisation. The human element in data should not be forgotten and forms the foundation of any analytics strategy.
- **Ensure you have a robust data storage and collation policy.** While governance and compliance requirements may introduce complexity to collating and storing data, it's important to build these into your processes.
- **Engage your internal and external customers.** Your VoC programme should be driving improvements across your organisation in the areas of quality, process, and people performance.

5.4 This year's results highlight significant increases in business intelligence (up 19.9%) and customer analytics (up 34.3%) capability.

However, progress is countered somewhat by a stagnation in big data analytics, which has seen a small drop in the last year.



What systems are available to help you collect and interpret customer data? n= 756

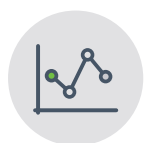
Customer feedback systems widely deployed globally

In conjunction with voice of customer feedback being ranked as the top customer data type being collected, customer feedback systems are again the most frequently deployed intelligence tool. Globally, 76.1% of organisations report having this capability.

Progress on big data analytics has stalled

Big data analytics is at 35.3% globally, although there are some notable exceptions. Almost half (48.6%) the organisations in media and communications can collect and combine data from all channels. In addition, 45.1% of larger organisations (those with 1,001 or more employees) report having this capability, compared with 27.1% of those with fewer than 51 employees.

Dashboards and customer analytics systems on the rise



19.9%

Business intelligence dashboards (up 19.9% from 2017) and customer analytic systems (up 34.3%) are emerging trends this year – something to consider for organisations seeking to invest further in analytics and CX performance.

End-to-end integration facilitates single view of customer

Being able to synchronise platforms and integrate data sources, views, and analysis across channels, specifically digital interactions, is key to getting a single view of the customer – which in turn is key to delivering consistent CX.

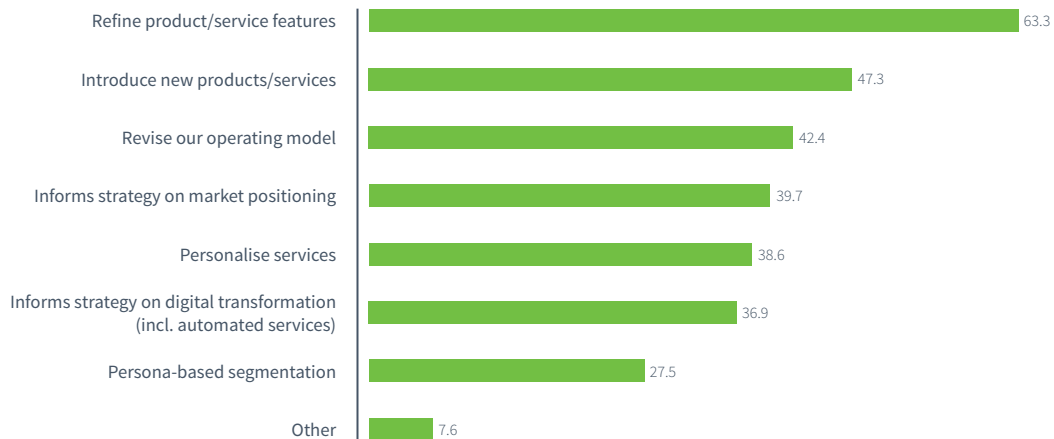


Build a technology road map that covers the end-to-end integration of all CX data sources

- **Informed prevention:** Analytics should give you insights across all customer channels. Gather an integrated, end-to-end understanding of issues, process failures, hot spots, and customer demand to implement positive change.
- **Proactive automation:** Drive efficiencies by helping your organisation become agile in its adoption and delivery of new technology, workforce management tools, and digital and operational transformation.
- **Standardisation:** Standardised technology architecture enables you to integrate the customer, employee, and user experience.

5.5 Results indicate that customer data and feedback are being listened to and applied.

Beyond refining products and services, 42.4% of organisations will, when necessary, revisit their operating model based on information gathered.



How do you use customer data to improve your service offerings? n= 754

★ *New question*

No shortage of intelligence for CX analytics

The value of analytics to CX and the benefits of CX to optimised performance weave consistently through our findings. Easier access to customer data from growing digital footprints, data analytics, and large increases in voice of the customer programmes means there's no shortage of intelligence.

Increasing use of data to personalise services

At a sector level there's little change in the top four priorities, other than the sequence and levels at which they're being applied. Use of customer data to help personalise services is growing and is now applied by 38.6% of organisations, although these results vary significantly across industry sectors.

Customer data informing revisions to operating models

In light of continued digital transformation and evolving user demands, it's interesting to see some 42.4% of organisations reviewing customer data to inform changes to their entire operating model. In Australia and New Zealand, 52.6% are using customer data feedback to assess operating structures, compared with just 32.2% in the Americas.

Sharing of data an important CX success factor

Creating a bespoke reporting suite that delivers insight to key stakeholders across the organisation will help to develop a greater understanding of the voice of the customer and identify operational and process improvements that could increase customer satisfaction.

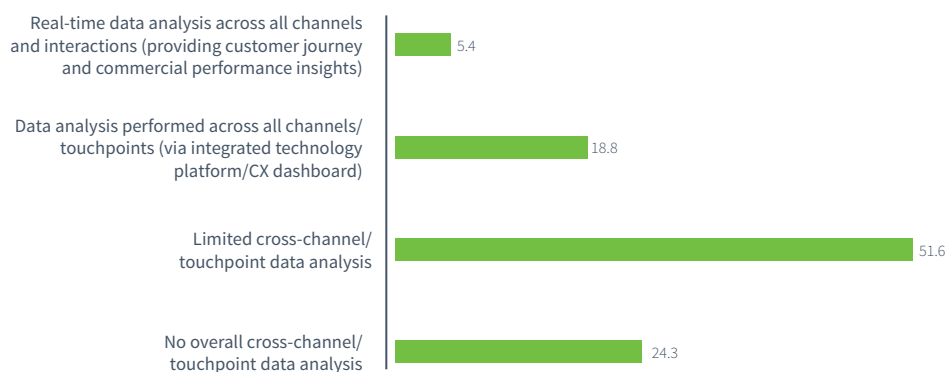
Take a three-tiered approach to customer analytics

- **Reporting:** Create customised analytics reports for different areas of the organisation to deliver exceptional customer insight.
- **Communication:** Develop a sound communication strategy that engages the entire organisation.
- **Action planning:** Build a robust 'insight-to-action' framework to allow meaningful analytics to empower your workforce and drive intelligent improvements.



5.6 The majority of CX teams are unable to see the big picture, as limited analytics systems make it difficult to get a cross-channel view.

On average, 35.0% of CX processes are either never refined or reviewed only by exception.



How do you use analytics to provide a consolidated view of your CX? n=766



Alignment of analytics systems a growing focus

Organisations still struggle to track customer journeys that span multiple channels or to consolidate data intelligence to allow for a single view of customer information. Aligning analytics systems across channels and touchpoints to generate a better understanding of the 'big data' is therefore a growing focus.

Most organisations have limited cross-channel analytics

A quarter (24.3%) of organisations currently have no cross-channel customer interaction analysis capability whatsoever. Over half (51.6%) have, at best, a limited analysis of interactions across all channels. The opportunities here are vast.

Real-time analysis a reality for very few

Systems integration issues and inconsistencies in data configuration, also mentioned elsewhere in our research, are identified as key issues. Of the 24.2% of organisations that have overcome these, most are able to perform multichannel analysis, enabled by an integrated or single CX dashboard, although just 5.4% have a data analysis capability that provides commercial and performance insights in real time.

Getting to the goal

The goal is to deliver CX analytics through a seamless, integrated technology platform that provides consolidated reporting and a real-time dashboard view throughout the organisation. But what does this ideal view look like for *your* organisation? Knowing this will give you a better idea of the investment you need to make in analytics.

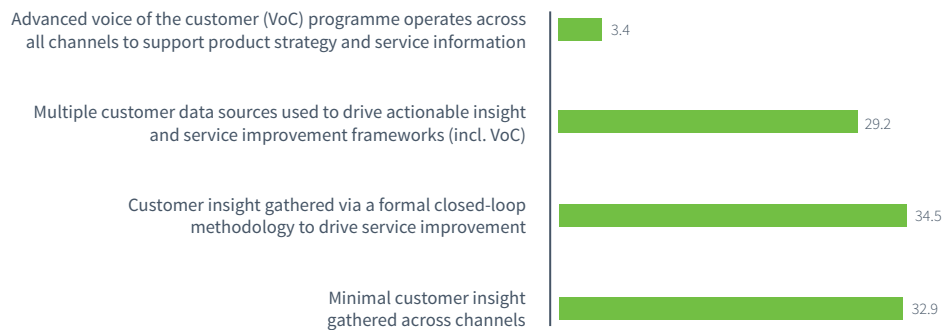
What to consider before investing in CX analytics

- **Data:** Understand which data is relevant to your requirements.
- **Capability:** Ensure your organisation has the capability to source, collate, and understand that data.
- **Value:** Be able to demonstrate to key stakeholders that your data is driving actionable, value-adding insight back into the organisation.



5.7 32.6% of organisations have structured voice of the customer analytics programmes to drive CX improvement and innovation.

One-third (32.9%) operate at the other end of the scale, gathering minimal customer insight data for innovation.



How is customer insight used to drive improvement and innovation? n=765



Customer feedback used to drive improvements and innovation

Customer feedback and voice of the customer programmes are increasing in popularity. Typically, organisations will use insights from these programmes to improve existing solutions and product sets. More advanced operations are gathering customer information through automated systems that also help identify and drive innovation opportunities.

Service improvement frameworks not yet catering for all products

Close to a third (32.6%) of CX operations have implemented service improvement frameworks that capture data from multiple sources, including voice of the customer feedback. However, only 3.4% of them have managed to deploy a programme that spans all channels and captures intelligence that can inform improvement and innovation strategies for all products and services.

Closed-loop methodology favoured by most

It's encouraging that 67.1% of organisations gather customer feedback through a formal closed-loop methodology. The 32.9% operating at the bottom end of the scale are more sporadic about what data is captured, when, and – crucially – how it's used.

Using customer intelligence to meet different needs

Customer insight is in high demand among organisations seeking to differentiate themselves. While it's clear that the data is available, the true test lies in being able to harness it to take action that meets both customer needs and strategic requirements.

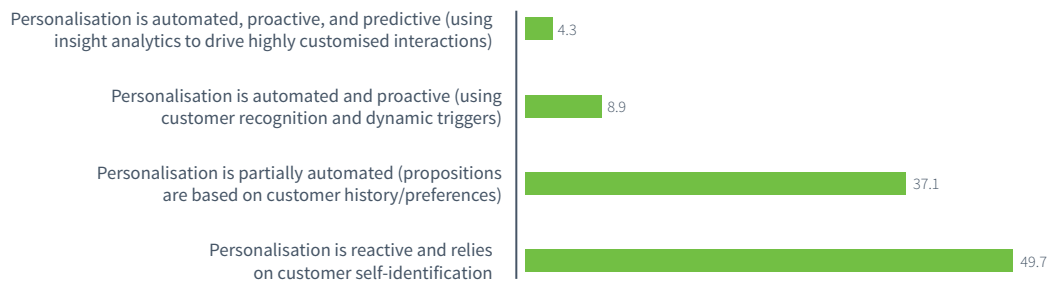
Turning intelligence into insights into action

- **Understand** the organisational structure, policies, and procedures that control data-gathering for customer insight.
- **Define** the future-state requirements for data and insights, and where key opportunities for improvement exist.
- **Create** a business intelligence strategy and framework focused on turning insight into action, with all functions in the organisation taking ownership of implementing changes based on customer feedback they receive.



5.8 CX personalisation techniques are mostly reactive and manual.

13.2% of organisations have access to fully automated systems that enable proactive engagement; 4.3% of these have analytics that help to customise user experiences.



To what degree are you able to personalise your customer relationships? n= 761

★ *New question*

Automated, proactive personalisation in place for only a few

Service personalisation is voted as the fourth top factor that will help reshape CX within the next five years. For now, 49.7% of organisations indicate that personalisation is reactive: customers still have to identify themselves to the organisation at every interaction.

Results vary by operation type and brand status



56.6%

Results are somewhat better for business-to-business (B2B) sales operations, where proactive personalisation is achievable for 56.6% of businesses. Conversely, users of B2B IT helpdesks (service desk support) are the least likely to be offered a personalised experience.

Automated personalisation techniques are deployed most by prestige brands (20.9%) and by organisations in the Asia Pacific region (22.7%). Digital-only operations (no telephone channel) are the most active in driving fully automated personalisation practices, followed by physical-site CX operations. The 29.2% that have full automation systems are some distance ahead of the laggard capabilities we see in multichannel (12.6%) and telephone-based centres (call centres) (9.8%).

Hyper-personalisation will reshape customer servicing

Personalisation is a significant outcome of successful analytics programmes. As organisations become more agile and are able to offer more to customers, so customers are demanding a more personal, context-based approach to servicing. Robotics and AI technologies will enable some of this hyper-personalisation, and reshape customer interactions.

Trigger personalisation at the right time, across channels

- **Develop** a personalisation strategy that uses real-time data to drive actions – for example, using a customer's online browsing data to suggest an in-store appointment to view the products they've been eyeing. Remember customer effort: make it easy for customers to act on what you present to them.
- **Build** sentiment analytics to set up customer-event triggers.
- **Create** a fluid adaption model to ensure automated triggers are relevant in both agent-assisted and self-service scenarios, and span customers' channels of choice.



5.9 Customised marketing campaigns remain the most popular approach to personalising services.

25.3% of organisations will use proactive techniques; 20.3% don't consider personalised CX as relevant to their customer base.



What are you doing to personalise CX solutions? n= 760

☆ *New question*

Personalised CX not a priority for all

Of the 79.7% of organisations that view personalised CX solutions as being applicable to their operations, most say targeted product marketing campaigns (often pitched using persona-based profiling) are the most popular approach to personalising CX solutions.



68.4%

Energy and utility (commodity) service providers are the least likely to provide personalised CX. Of the 68.4% that do, it's mostly through dedicated contact paths or targeted product marketing. The media and communications industry operates at the other end of the spectrum – just 8.3% say personalisation is not relevant to their business.

New technologies enabling proactive interactions

Going beyond many of the traditionally available approaches, the power of analytics and robotics is enabling 25.3% of companies to use proactive, context-driven interaction techniques, such as regular purchase reminders, to target customers and boost sales. Almost another quarter (23.7%) are equipped to offer qualified next-best-offer prompts pertinent to user profiles or behaviours.

Use available data to meet customer expectations

Personalised interactions and customer journeys are now expected by consumers who have already indicated their preferences to the organisations they deal with. The ability to deliver this personalised CX is really about getting the basics right, for example, using automated small data – something as simple as a customer's name – to deliver the more complex elements of this personalisation.

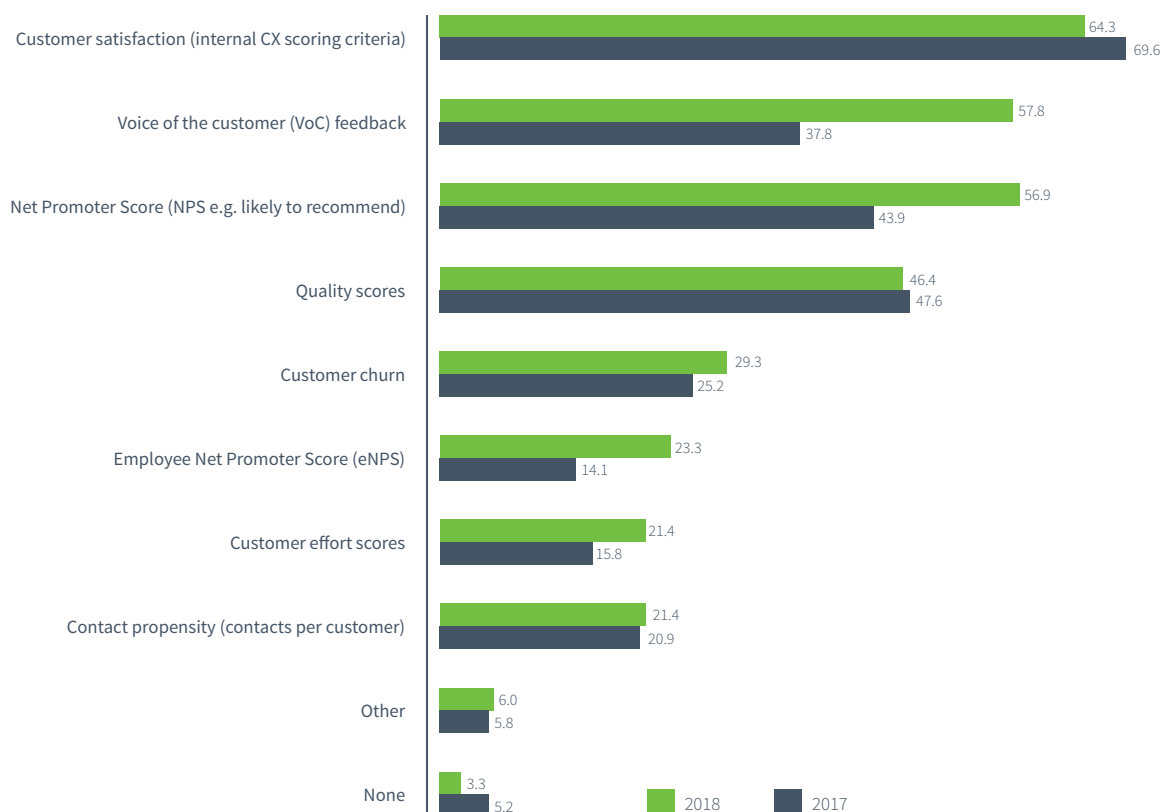
Customise for your customers

- **Understand** and define the scope of your customer personas, and tailor your offerings in line with these personas and strategic goals.
- **Create** a programme that uses intelligence and predictive analytics to optimise cross-channel customer experiences.
- **Take** an omni-organisational view of personalisation, ensuring alignment across functions.



5.10 Voice of the customer feedback (up 52.9%) and Net Promoter Score (up 29.6%) are top preferences for gauging CX performance.

Customer-effort tracking has also increased notably, by 35.4%, as organisations slowly move away from internal metrics.



Which of the following CX indicators do you measure? n= 754

Slow shift from internal to customer-based indicators

Although internal customer satisfaction measures are still the most commonly used indicators of CX, we are seeing changes emerging slowly. Organisations are increasingly seeking to benchmark their practices in this area, or adopting industry-recognised approaches such as Net Promoter Score (NPS).

NPS now the top measurement in certain sectors

NPS has grown by 29.6% since 2017. For the first time, it's being adopted as the primary measurement among certain industry groups: retail and wholesale alongside the financial service sectors rank NPS as their most important CX indicator. In a similar vein, several sectors now vote voice of the customer as their preferred CX metric. Deployments of VoC overall have surged by 52.9% and are now up to 57.8% globally.

Customer effort scores a growing trend



35.4%

Other key trends to watch are customer effort scores (up 35.4%), now used by over a fifth of CX teams. Nearly one-quarter (23.3%) of organisations are using employee NPS (eNPS) systems to evaluate employee engagement, up 65.2% from 2017.

Understand CX from the perspective of the customer

Effort is often an overlooked and underrated source of true customer feedback. It's encouraging to see that this view is changing. Imagine you're the customer – what would work best for you? Simplicity is key to effortless customer engagement.

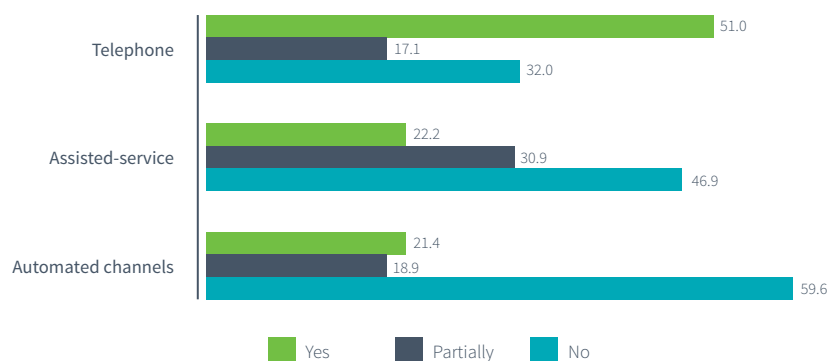
Put yourself in your customers' shoes

- **Understand** which key metrics you require to drive a successful CX programme, and embed these into your CX processes.
- **Design** the programme to cater for a blend of different metrics that will help drive a customer-centric culture by providing various customer perspectives of the organisation.
- **Empower** your people, as they are critical to the success of CX. Bring them along on the journey – involve them in creating 'defining moments' for customers, set up round-table discussions with customers and employees, use their feedback to implement changes ... in other words, help them deliver exceptional service. This will help to promote advocacy both internally and externally.



5.11 The measurement of cost per transaction is still widely neglected, particularly on digital channels.

A staggering 77.8% of organisations can't get the full picture of costs on assisted-service transactions; for automated channels some 59.6% are failing to measure any aspect of cost.



Do you measure the cost per transaction on each channel you provide? n= 726

Inability to measure costs affects validation of return on investment

With CX budgets constantly stretched, being able to prove a return on investment (ROI) could well be the deciding factor when it comes to technology spend. Cost-per-transaction is a key metric used to validate ROI, yet efforts to measure these costs have declined.

Digital channels the most neglected

The results for the telephone are similar to 2017 and, while they still fall short of desired levels, are more than double those of digital channels.

For assisted-service digital channels such as web chat, just 22.2% of organisations can measure the complete cost per transaction, 46.9% have no measurements at all, and the remaining 30.9% have variable capabilities. Over half (59.6%) the organisations providing fully automated CX solutions fail to apply any form of cost tracking.

The deployment of robotics and AI will add to the challenges of measuring these costs.

Measurement systems exist, but are not always a focus

The results for B2B operations (sales, service, and technology helpdesks) fall considerably short of customer-facing operations, suggesting a focus issue rather than the absence of data or analytics systems for calculating costs.

Channel strategies must include cost and performance measures

Contact management strategies must incorporate the business value and user benefits of each transaction type, by contact path. Visibility of how transaction costs affect commercial performance is imperative.

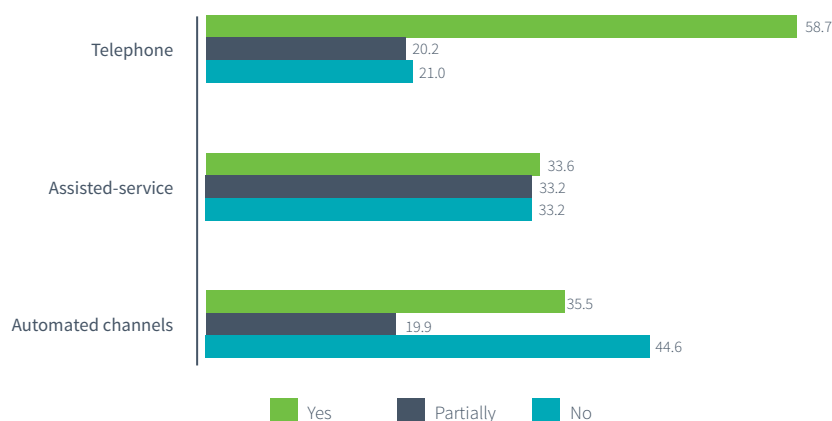
Design channel strategies for maximum value

- **Understand** your current and future channel landscape to establish which channels you'll need.
- **Create** a value-based approach to new channel deployment and adoption to ensure you get the most out of your investment.
- **Develop** a channel-value roadmap based on strategy, operational capability, and customer acceptability.



5.12 Organisations are failing to track sales conversion, particularly on digital channels.

The absence of this business intelligence will adversely affect customer management strategies and commercial performance.



Can you measure sales conversion and/or lead generation rates across contact channels? n= 509

Measurement of sales-based actions highest for telephone

Our benchmarking considers whether sales or lead opportunities can be tracked on different channel groups. Sales conversions and lead-generation activities on telephone – traditionally the more scrutinised channel – are being tracked at almost twice the level of digitally based solutions.

Cost and impact of digital channels not yet fully understood

In the midst of concerted efforts to transform digitally, many organisations are still finding their way when it comes to understanding the true impact of rerouting transactions to new pathways, or whether certain channels are not quite so low-cost when sales performance is considered.

Sales data for digital solutions elusive for many



33.6%

Just over a third (33.6%) of organisations with assisted-service digital solutions that involve sales or lead-generation activity can track conversions across all transactions. While a third (33.2%) have partial visibility, another third (33.2%) have no access to any type of sales data. On fully automated channels, 44.6% have no way of measuring leads and sales.

Value of new channels must be measured

New digital channels may hold promise but lag traditional measurement approaches. As the landscape of these new channels grows at an exponential rate, you need to track and measure their contribution to commercial success in order to get a more accurate view of return on investment.



Sharpen your focus

- **Build** deployment plans for channels based on the value they will add in terms of customer interactions, lead generation, and sales conversions.
- **Create** an awareness and understanding of new channels – and their potential value – among both employees and customers, to drive adoption. Develop a roadmap for tracking the subsequent use of these channels as well as return on investment.
- **Don't be afraid** to restrict specific transactions to certain channels when others aren't yielding much value.

5.13 72.7% of organisations use CX intelligence to inform product and service transformation.

Of these, 23.9% will validate their proposition strategy against external benchmarks, including emerging CX innovation.



How is intelligence from customers being used to innovate and create market disrupting CX? n= 752



Digital disruption or CX complacency?

Recent years have seen many established organisations threatened or even put out of business by newly emerging 'digital disruptors'. The theme of our 2015 report was 'go digital or die'. The concept has grown ever since – the need to transform, evolve, and, in some cases, create market-disrupting CX of your own should not be under-valued.

Yet, for the vast majority of organisations, CX intelligence is either ignored (27.3%) or, at best, interpreted internally only (48.8%) without due validation from customer feedback or competitor benchmarks.

Select few see CX intelligence as crucial to innovation

Only some (7.3%) view the sourcing of qualified, cross-referenced CX intelligence from a cross-section of internal and external stakeholders as crucial to aligning products and services to the very latest technology innovations and CX concepts, and in complete awareness of competitive approaches. Prestige brands are around three times more likely to adopt this approach than budget and mid-level brands.

Cross-functional alignment helps drive relevance

Disruptive companies are addressing customer needs directly with little or no distraction from legacy systems or operating structures. Larger, more complex organisations need to start looking at aligning CX-driven transformation strategies across functions in order to remain relevant in their respective markets.

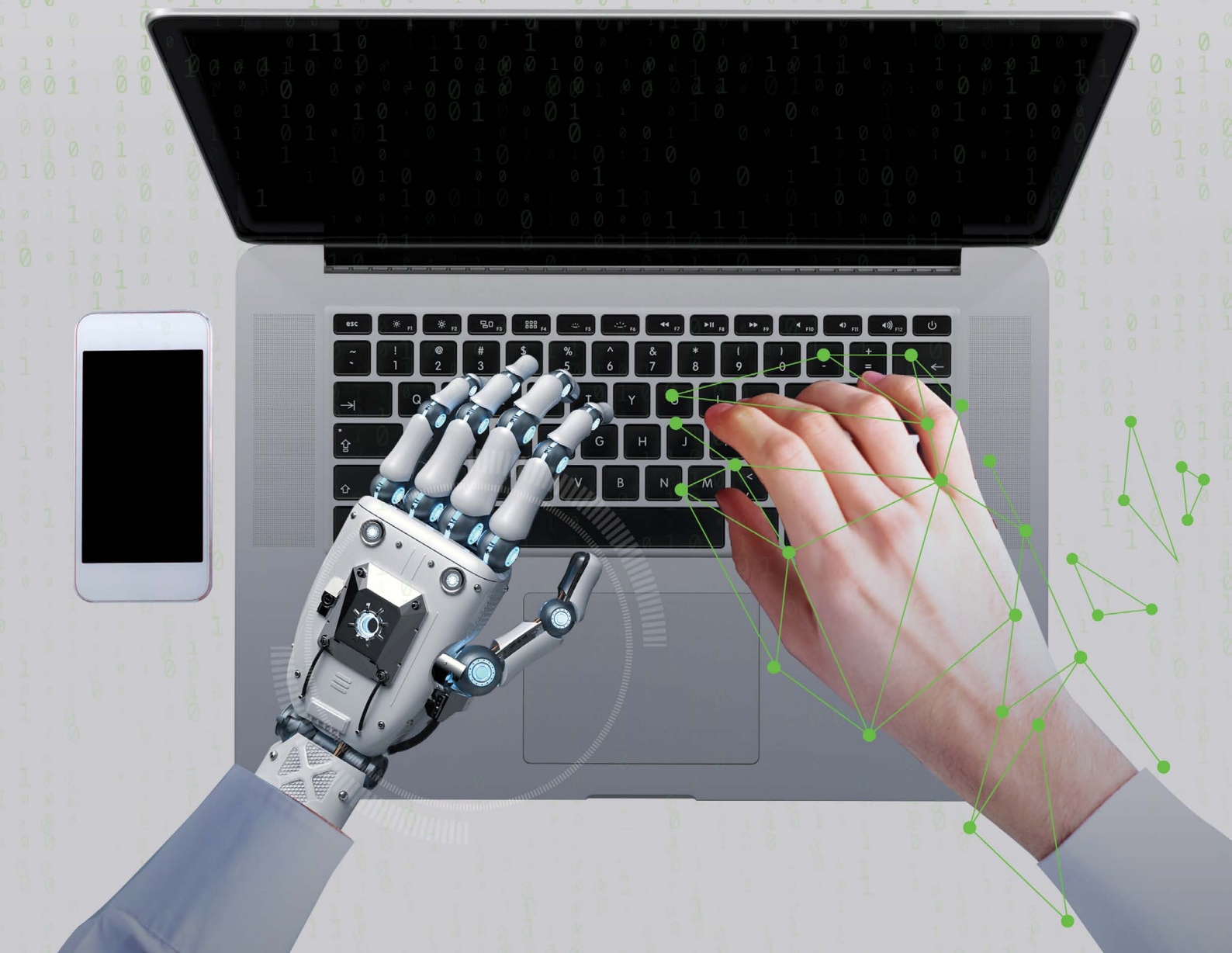
Using intelligence to advance innovation

- **Recognise** how tangible CX metrics, such as lower churn and higher share of wallet, as well as intangible evaluations, like customer perception and brand recognition, can influence brand value.
- **Maximise** customer insight from other industries to understand your customers' zone of expectation.
- **Lead** with service differentiation by balancing creative opportunity with market relevance, and operational capability with commercial value, to ensure innovation delivers.



06. Technology enablement

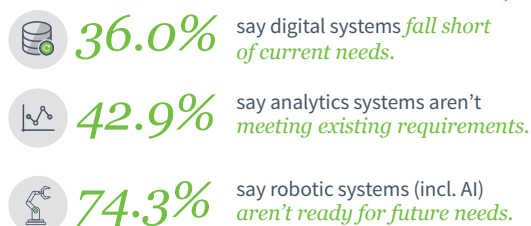
The gap between risk and readiness widens.



Technology enablement: widening gaps in technology readiness



Technology systems falling short of business needs

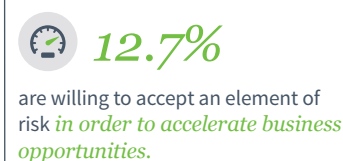


On average, **77.7%**

say their technology systems will fail to meet future needs (73.9% in 2017) while 31.0% *indicate systems aren't meeting current needs (27.1% in 2017).*

Cybersecurity can be a showstopper: risks and trade-offs

The most common barriers to *better cybersecurity:*



Security concerns are high, with 81.2% saying their cybersecurity systems won't meet future needs.

Momentum for cloud gathers pace

Cloud infrastructure deployments grew by **36.1%** On-site systems have *fallen in tandem.*

71.7% will have some form of *cloud-based solutions in the coming year.*
Hybrid solutions preferred in all sectors.

Right-time, right-size technology: the benefits of cloud

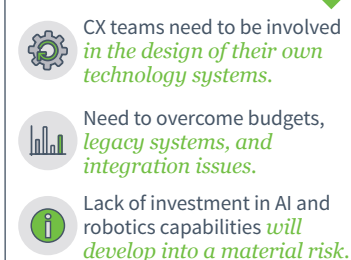


Seeing double-digit growth: **76.7%** say cloud solutions allow them to test new ideas and access new functionality on a proof-of-concept basis.

Top 3 factors impacting decisions on new technology systems



Time for a reality check



Align technology and operational teams around a common vision for CX

You need to enable...but how?

- **Sourcing and skills strategy:** ability to programme legacy, cloud, and other emerging technologies.
- **Aggregation and integration:** beyond platforms, the need to focus on connecting as-a-service point solutions.
- **Balancing agility with stability:** transforming while maintaining uptime, reliability, and cybersecurity levels.



Let us help you get your technology enablement

right, and aligned to your strategic goals, by becoming your CX centre of excellence.

The CX centre of excellence

The rate of technological innovation in CX has increased markedly and rapidly in the last few years. Cloud, biometrics, AI, and robotics are relative newcomers to our survey but they've stormed up the charts in no time.

Yet, other than those in the top quartile, organisations seem somewhat stuck between the risk of doing nothing and the reality of having to commit to technology enablement.

There's a lot these emerging technologies can do. But what is it they can do for your organisation? With budget pressures and legacy system issues constantly hovering, how do you make the leap from staying where you are to investing in technology solutions that will meet future needs?

We believe the answer lies in aligning your technology and operational teams around a common vision for CX and giving them joint responsibility for technology enablement.



Meet our expert



Aaron Cronin

Practice Manager – Customer Experience at Dimension Data

Passionate about using technology to craft better experiences, Aaron has developed solutions for mid-market to multinational organisations of all sizes over his 20-year contact centre and CX career.

Expert insights

Designing technology for enablement

Less than half (42.3%) of CX teams are fully involved in, or responsible for, the design of their own technology needs.

CX may be a focus of boards and executive management, but when it comes to execution, we see fewer organisations reporting that their CX teams are involved in the design of technology solutions. It's still mostly IT and procurement making the technology choices, with IT taking the lead in defining requirements, and designing and building the solution.

Organisations that are getting technology enablement right recognise that it's counter-productive to have different teams looking at different CX functions. Instead, they work towards a common CX strategy, with technology tightly integrated into operations across departments and functions. To this end, we're seeing a big shift towards a multifunctional 'CX centre of excellence' that:

- shares a common vision for CX
- decides which capabilities will best support that vision
- sees the traditional contact centre as integral to CX strategy
- agrees on the metrics of success of technology projects
- measures adoption and use to ensure ongoing improvement



In time, we may see high-performing organisations create dedicated, cross-functional CX teams reporting directly to a CX executive with a remit to improve Net Promoter Score (NPS) results and reduce customer effort.

Closing the analytics gap

While analytics is the top technology trend prioritised by CX teams, only 15.3% say their analytics systems will meet their future needs.

The problem is that data is locked inside specific applications, such as speech and text analytics, and the tools for getting it out are rudimentary.

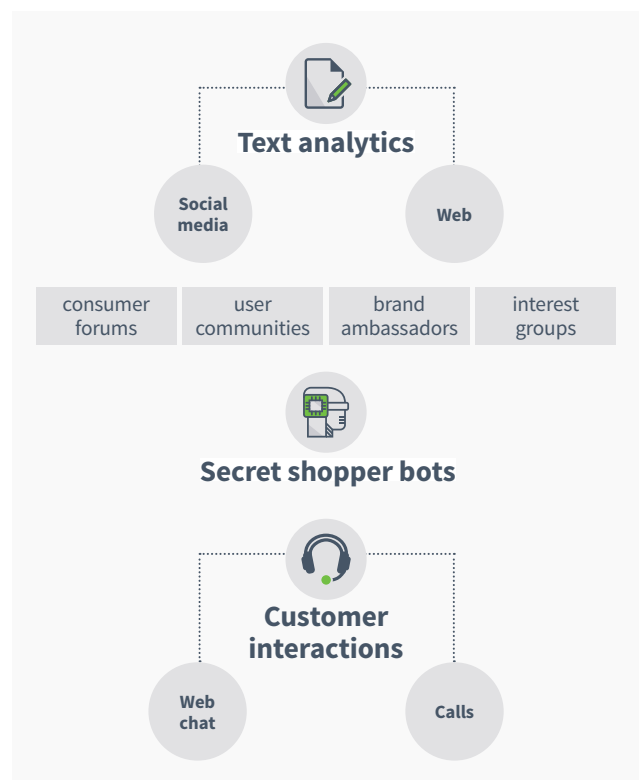
To address this, some organisations are now creating dedicated teams for analytics, AI, and robotic process automation. Their goal is to extract data from various systems, integrate it, and use it to create 'data lakes' for analysis.

Cloud technologies have the potential to build this capability further, enabling you to use real-time, actionable analytics for the customer journey at a point in time, historical analytics for insights into efficiencies and areas of improvement, and customer feedback analytics to close the loop.

Analytics for the customer journey

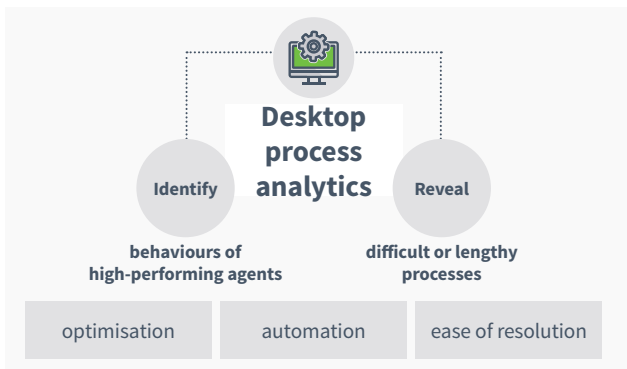
Your customers are already talking about you. Are you listening?

There's a limit to how much direct feedback customers can give, especially when just about every organisation they deal with is asking for some form of rating. Technology can help you collect valuable – and, often, more authentic – CX intelligence, in an unobtrusive way. Social media is a great tool for listening to what people are saying and gauging public sentiment about your organisation. Secret shopper bots and customer interactions are also useful sources of information.



Analytics for agent empowerment

The decline in agent analytics systems this year is worrying. Generally, self-service (digital) channels are now a customer's first point of contact, with agents stepping in on assisted-service channels when the customer needs further assistance. If you're ignoring or neglecting agent analytics, you're missing a huge opportunity to improve CX.



CX analytics should always result in action that delivers commercial results (new customers, referrals, cross-sell revenue, lower cost to serve) or operational improvements (ease of resolution, NPS), and the entire organisation must be involved. Outcomes must be measured and reported: without this continuous feedback loop, you'll eventually end up with frustrated employees and customers.

The promise of artificial intelligence

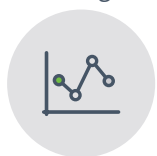
There's a lot of mystery around AI at the moment and many fit-for-purpose decisions to be made. AI and machine learning will be embedded in a broad range of CX systems, which means analytics systems will be able to get data streams in real time to map customer behaviours, and identify problem areas and opportunities to improve.

While many tasks will be automated, the rest will require the creative problem-solving skills and emotional intelligence of agents, who will need to gather information, correctly interpret a situation, get insight, and offer empathy.

Right-time, right-size technology: the benefits of cloud

This year's survey shows that cloud infrastructure deployments are set to more than double in the next year.

In traditional contact centres, there's a move away from always-on, monolithic architectures. Technology vendors are disrupting their own models with cloud solutions and microservices architecture that can be shaped to suit the ebb and flow of interactions, with the advantage of helping to save on running costs.



We're also seeing increasing investment in data scientists and machine-learning engineers who can build customised models on cloud platforms.

Cybersecurity: risks and trade-offs

Security concerns are high, but our findings reveal a 'give-and-take' scenario. Although cybersecurity is seen as a risk when introducing AI and service automation technologies, those same systems can mitigate certain risks, like human error.

Intrusion detection, data encryption, and access management are minimum cybersecurity requirements. In the next few years, we expect to see an increase in biometrics, multifactor authentication, and fraud-detection technologies to combat social-engineering security threats. In the long term, blockchain-based identity management will put customers in control of their data.

Equipping your CX function for the future

Budgets, legacy systems, and integration issues will be with us for a while yet: limited budget means you're stuck with legacy systems, which makes integration difficult. But, as these systems are replaced by cloud solutions, you'll face some new challenges:

- **Skills:** You'll need skilled developers for programmable cloud platforms and other, newer technologies.
- **Integration:** Rather than consolidating technology platforms, you'll need to focus on stitching together as-a-service point solutions.
- **Balancing agility and stability:** Cloud-to-cloud and application programmable interface (API) architectures offer agility, but you'll need to balance this with uptime, reliability, and security.

There's a lot that technology can do for your CX vision. With the right people, structures, and focus, you'll be better equipped to invest in solutions that add real value.



Involve the right people.



Understand the CX vision.



Define what the technology should achieve.



Choose the technologies that will deliver.



Determine and measure value (adoption, use, outcomes).



Data insights

6.1 Analytics is now the top technology trend being prioritised by CX teams.

AI has emerged as one of the top five trends, ahead of the diminishing drive to personalise.

Technology trend	Rank		
	2016	2017	2018
Analytics	4	3	1
Self-service (incl. web, mobile, IVR)	Not asked	Not asked	2
Omnichannel – integration of technologies	1	1	3
Digital business transformation	3	2	4
Artificial intelligence (incl. virtual assistants, machine learning)	Not asked	Not asked	5
Robotic process automation	Not asked	Not asked	6
Cloud solutions	7	4	7
Personalisation of services	Not asked	5	8
Emerging contact channels (e.g. WhatsApp, iMessage)	Not asked	Not asked	9
Cybersecurity (preventing attacks and fraud prevention)	6	10	10
Technology consolidation	2	8	11
Biometrics (facial, voice, fingerprint, etc.)	10	13	12
Proactive automation	9	9	13
Internet of Things	Not asked	12	14
Other	9	11	15
Blockchain technologies	Not asked	Not asked	16

What are the top three technology trends being prioritised by your CX team? n= 737

Closer alignment of business and technology strategies

Analytics has been forecast as the top business trend that will reshape CX for four years in succession. It's now also the top technology trend, reflecting a closer alignment of strategy between business and technology needs. This pattern is echoed by every region, across all brand categorisations, and in most sectors.

Self-service technologies receiving attention

Organisations need to secure a clearer return on investment from new digital channels, but customer use of these channels has fallen considerably short of the target. Self-service technologies (web, mobile, IVR) are now the second-most important focus for technology teams.

Omnichannel a long-term goal; focus is more on integration

For now, the importance of omnichannel has dropped. Many organisations have opted to integrate a selection of core channels to make a high impact over the short term. The desire to achieve complete omnichannel remains but is now more a longer-term goal.

Create a technology enablement roadmap

The list of available CX technologies continues to grow, giving organisations a wealth of technology options for creating differentiated customer experiences. To implement technology that supports your CX goals:

- **Know what your customers need.** Drive efficiencies by helping your organisation become agile in its adoption and delivery of new technology, workforce management, and digital and operational transformation.
- **Create a technology enablement roadmap** for all customer engagement channels. Decide which are better suited to cloud or on-premise solutions.
- **Unlock agility** by embracing hybrid cloud architecture, a DevOps approach, Agile techniques, and test-and-learn or experimental practices.



6.2 The top five challenges affecting CX technology systems remain unchanged.

A quarter (25.5%) cite skill shortages as a key concern; more than a fifth (22.8%) say their main focus is maintaining business as usual.



What are the main challenges affecting your CX technology systems? n= 734

Ability to customise technology systems becoming more important

Besides the order they appear in, there's been no change in the top five challenges affecting CX technology systems since 2017. Lack of common strategy has moved down but is still a lingering problem for 20.7% of organisations. One-quarter (25.5%) highlight shortages of required skills as an issue. Cybersecurity threat management seems to be a prerequisite rather than a perceived challenge: if it's not up to scratch, it's a potential showstopper.

Organisations may be challenged to articulate return on investment in CX technology



50.1%

More than half (50.1%) the organisations surveyed say they are restricted by budget. This could indicate that organisations may not be able to clearly articulate the financial value that CX technology returns, and are struggling to link CX metrics like NPS with increased revenue. Although ostensibly seen as a strategic asset, organisations still appear to be evaluating CX technology as business cases for technology based on the cost to implement and operate it, as opposed to the potential increases in revenue it could deliver.

Cloud and analytics can help

One-fifth (22.8%) are focusing on business as usual, while one in ten (11.2%) fear committing too soon and making a bad decision. But bolting on solutions to legacy infrastructure that will need to be replaced at some point only adds to the problem and prohibits evolution. Cloud technologies and analytics may help overcome certain legacy system issues, as they create a viable platform that will adapt to future needs, which helps justify the business case for investment.



- **Develop a technology blueprint** that's based on customer journeys which underpin your strategic goals. This blueprint should cover digital channels, physical customer touchpoints, the contact centre, and fulfilment.
- **Design a business case** for technology investments that's in line with the blueprint and clearly justifies how the technology will help the organisation get the most value for CX.
- **Build a culture that embraces rigorous change** and adopt a toolkit approach to technology, ensuring you have the skills and tools required to integrate different technologies using open-standards components.
- **Invest in integration skills or partner with CX technology experts** so you can take advantage of cloud applications while managing emerging cybersecurity threats.

6.3 Workforce optimisation cornerstones are the top four technology systems enabling workplace productivity.

Surprisingly, just 38.5% of organisations use agent analytics systems to drive operating efficiencies.



What technology systems are you using to help enable workplace productivity? n= 732

Decline in using technology for workforce productivity

The tendency to use technology systems to enable workplace productivity has dropped in recent years. Pressure on budgets as a result of digital transformation initiatives could explain what's otherwise an inexplicable turn in the wrong direction.

Knowledge management systems vital to equipping agents

CX centres are becoming a safety net that supports digital self-service. With agents having to deal with more complex service issues, and increasingly knowledgeable customers, it makes sense that organisations are prioritising knowledge management systems over some other productivity tools.

Although knowledge management has risen to the second-most popular productivity system, just 58.9% of companies are using it (down from 68.5% in 2017). Knowledge management will become increasingly critical in supporting agents to handle complex enquiries and escalations and offer a more personalised service – all of which will require processing more, and more complex, data.

Significant drop in agent analytics

Perhaps more surprising is the drop in agent analytics, from 53.8% in 2017 to 38.5% this year. In addition, 49% have no workforce management technologies and, despite some sector-level nuances, just 38.7% have access to e-learning solutions. Notably, there are significant discrepancies in the pattern of systems used for different operations and customer types.

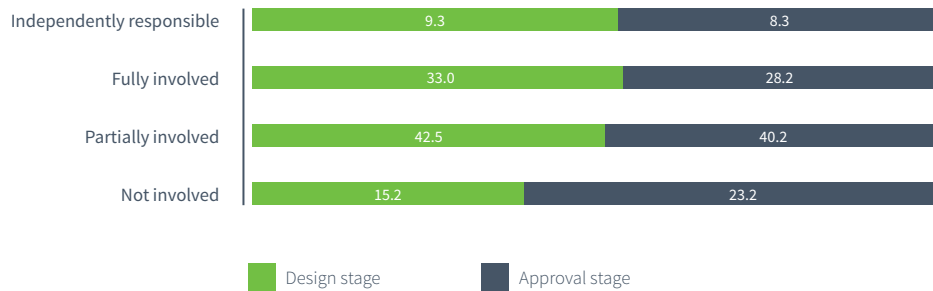
Empower agents to handle complex inquiries

- **Deploy workforce management** and quality management tools across all channels.
- **Use agent analytics to study your high performers**, set best practices at a team level, identify lengthy processes, enable access to information, and identify opportunities to improve.
- **Close the loop by using analytics** to improve knowledge management, quality management and e-learning activities.



6.4 Less than half (42.3%) of operations are fully involved in or responsible for the design of their own technology needs.

Even fewer are involved in the approvals stage, as decisions are increasingly being made without full stakeholder consultation.



How involved is the CX team in the technology decision making process? n= 731

Influence of CX stakeholders on technology decisions is diminishing

This year's benchmarking results reveal a worrying trend: the influence that CX stakeholders have on technology decisions is diminishing.

CX teams should play a key role in technology decisions ... but don't

User adoption is critical to return on investment in technology systems, so CX teams should play a key role in deciding how new technology is configured to meet their needs. Better collaboration between CX and IT will help ensure that new technology meets the needs of both the organisation and its customers.



57.7%

Almost six in ten (57.7%) operations are being hindered by an organisational approach that sees CX teams having no involvement or, at best, just partial involvement in the design stage of new solutions. That's a 14.7% drop from 2017's results.

Even fewer CX teams have the authority to approve new technology systems. Just over one-third (36.5%) are fully involved in decision making or directly responsible for signing off on the functionality and the delivery of new solutions – down 18.5% from last year.

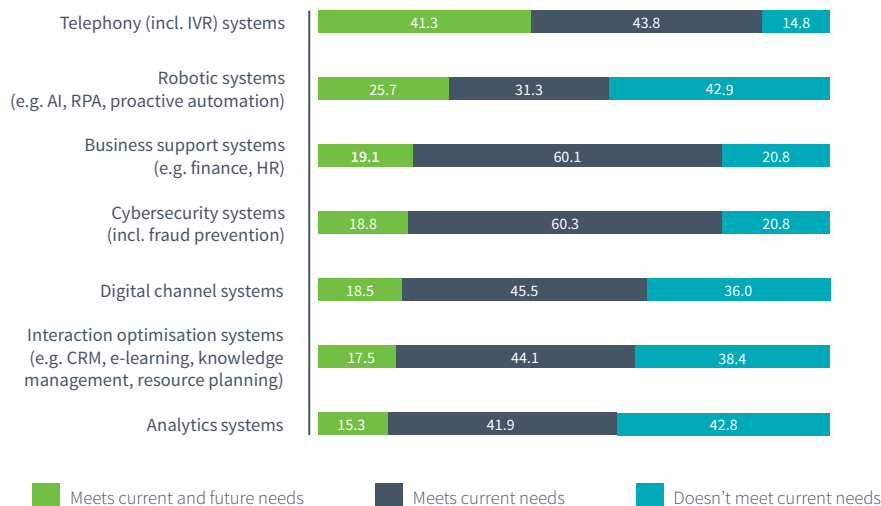


Bring CX and IT teams together to ensure new technology meets needs

- **Create diverse teams** from across the organisation to develop a deep understanding of customer and user needs.
- **When evaluating technology systems, focus on use cases based on CX processes** rather than functional and non-functional requirements.
- **Embrace design thinking practices** that challenge traditional decision making processes to ensure continued alignment between business requirements and capabilities over the lifecycle of the technology.

6.5 42.8% say analytics systems don't meet their current needs; 84.7% say they won't meet future needs.

Some 79.1% believe existing cybersecurity requirements are covered, but expectations of emerging threats leave just 18.8% adequately prepared for the future.



How well do the following technology systems meet your current and future needs? n= 714

Widening gaps in technology readiness

On average, 77.7% of companies say their technology systems will fail to meet future needs (73.9% in 2017) while 31.0% indicate that systems are not meeting current needs (27.1% in 2017). These results highlight widening gaps in technology readiness as organisations struggle to support CX transformation technologically.

Cybersecurity systems will need to be enhanced



79.1%

For now, 79.1% are comfortable they have adequate cybersecurity systems in place. However, looking ahead, some 81.2% say that their cybersecurity systems will fail to meet needs.

Inadequate analytics capabilities could be a material risk

The areas where current capabilities fall shortest are robotics and analytics, with analytics the least equipped to meet future needs. These are also two of the top five factors forecast to shape CX in the next few years. It's therefore vital to close the gaps here, and on associated systems with known shortcomings. Left unattended, these will present a material risk.

Until these capabilities are more mature, organisations should focus their efforts on well-defined, manageable problems that directly improve CX or optimise a specific process. APIs or holistic analytics systems can assist in extracting valuable data that's currently locked in proprietary applications.

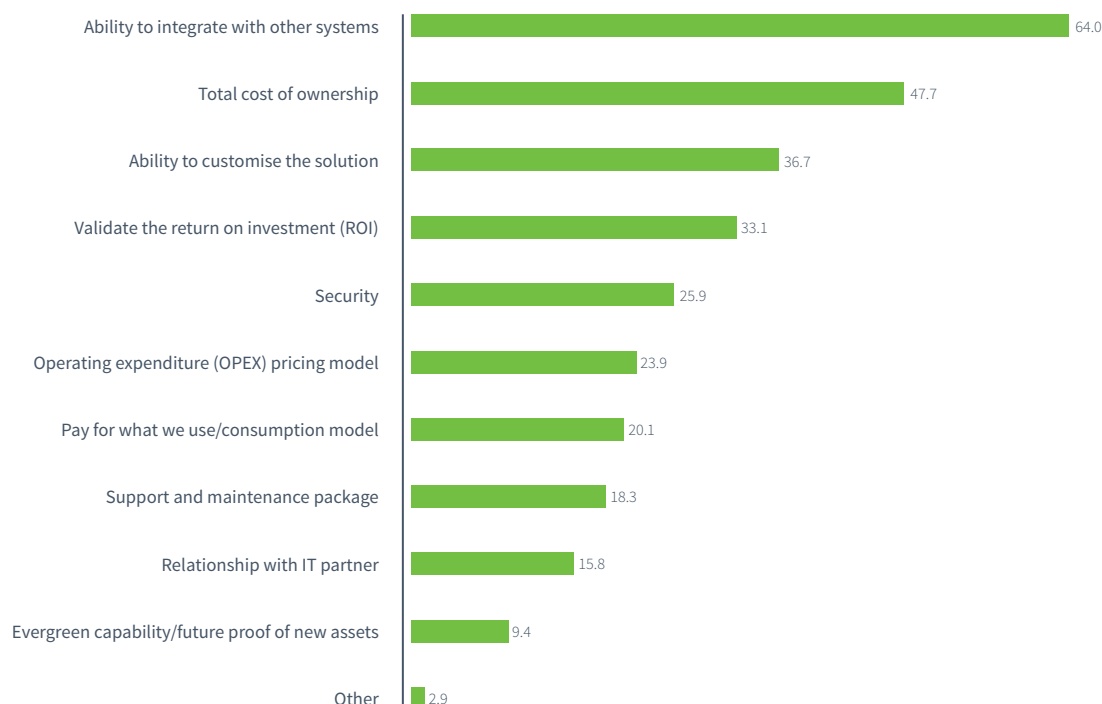
Build technology capabilities that meet user needs.

- **Make open APIs a condition for adopting new technologies** and favour technologies that allow data to be shared.
- **Invest in internal integration and development teams** that serve operations to ensure technology stays aligned with user needs.
- **Lobby vendors to include adoption services and lifecycle management** in their managed services to ensure you're getting the most value from your technology investment.



6.6 The ability to integrate with other systems rises two places to be the top factor considered when deciding on new technology systems.

Being able to customise solutions has moved up from seventh to third place, followed by validating return on investment.



What do you rate as the top three most important factors when deciding on new technology systems? n= 727

Shift in focus to integration and customisation shows maturing approach

The ability to integrate has risen two places to be the factor favoured by most organisations when deciding on technology systems, followed by cost and the ability to customise the solution. Return on investment and security complete the top five. This shift from focusing mainly on cost and functionality reflects a maturing approach.

Opex and pay-for-use models a consideration for many

While the relationship with their IT partner is a top-three consideration for one in six (15.8%) companies, more (23.9%) are concerned with access to operating expenditure pricing models or pay-for-what-you-use consumption models (20.1%). Nearly a fifth (18.3%) list support and maintenance packages as a top-three requirement.

Trend towards meeting specific needs

These results reflect an understanding that new technology operates in an ecosystem. We're seeing a trend away from monolithic replacements or consolidation towards deploying technology that meets a specific need. As organisations move to having multiple technology partners and hybrid cloud solutions, security will become a top consideration.

Look at the big picture before you decide

- **Balance integration and customisation with costs**, as CX systems tend to be around for a long time.
- **Understand security risks and develop a mature security policy early on.** This will give you a useful frame of reference for the type of architecture and deployment models you can choose.
- **Consider cost of ownership as well as return on investment**, as measured by CX as a board priority. For example, an automation tool may reduce the cost of business but rigid processes could slow down change and obstruct agility.



6.7 Commercial performance factors are the top metrics used to gauge the success of technology projects.

The relationship between new systems and CX performance in the top three is an encouraging sign of common purpose.



Which indicators are regularly used to measure the success of technology projects? n=726

★ *New question*

CX metrics not yet the most important in determining success

Although the numbers are not too far apart, cost-savings data is still ahead of CX data on this list of metrics. CX is the top indicator of performance at board level, yet it's not the top benchmark for measuring the success of a technology project.

Low customer awareness of digital paths affecting adoption



14.0%

In addition, customer adoption of new digital CX paths is not as high as organisations would like – the main reason being low customer awareness of digital solutions. Yet, only 14.0% of companies look at user uptake data when evaluating the success of these solutions.

That said, it's encouraging to see customer satisfaction in the top three.

Regular reviews needed to measure success over time

A review of whether project objectives have been delivered in full would be expected as standard, but just 42.1% of organisations say they conduct post-implementation reviews regularly.

Measure a range of metrics over time

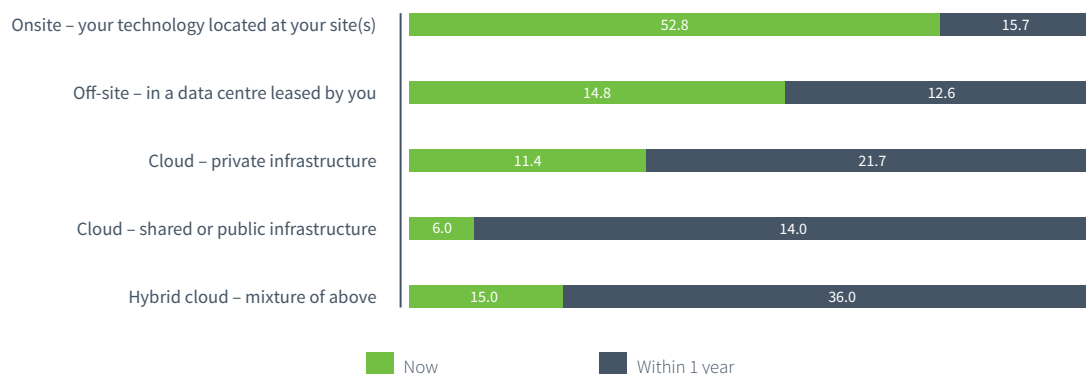
CX technology needs to deliver outcomes immediately and over time. To determine the return on investment of CX technology projects and alignment with CX objectives:

- **Conduct regular post-implementation reviews** and capture user adoption figures.
- **Look at basic project management factors:** cost, scope, time, and quality.
- **Consider agility:** Does the technology allow you to respond to change quickly in order to meet new or different needs?
- **Demand value-added advisory and adoption services** from vendors to ensure technology evolves with the business needs.



6.8 Cloud infrastructure deployments grew by 36.1% in the past year and on-site systems have fallen in tandem.

As the momentum for cloud gathers, 71.7% of organisations will have some form of cloud-based solutions in the coming year.



Where is your CX technology infrastructure located? n=721

Move to cloud gathers momentum

The trend of cloud-based solutions replacing wholly owned technology models continues. One-third (32.4%) of organisations now have a combination of private, shared or hybrid cloud solutions.

While use of cloud technology is advancing, and has grown by 36.1% since our 2017 review, it's not quite as fast as predicted, especially in large organisations. It seems they need more time than anticipated to manage their migration plans. However, the momentum is obvious, and cloud deployments are set to double within the next year.

Hybrid solutions preferred in all sectors



45.6%

The preferred approach for all industry sectors, hybrid cloud solutions have grown by 45.6% since 2017. Hybrid cloud suits organisations that still want to use legacy infrastructure and in-house applications, and keep control over their data, while at the same time access the new capabilities of cloud solutions.



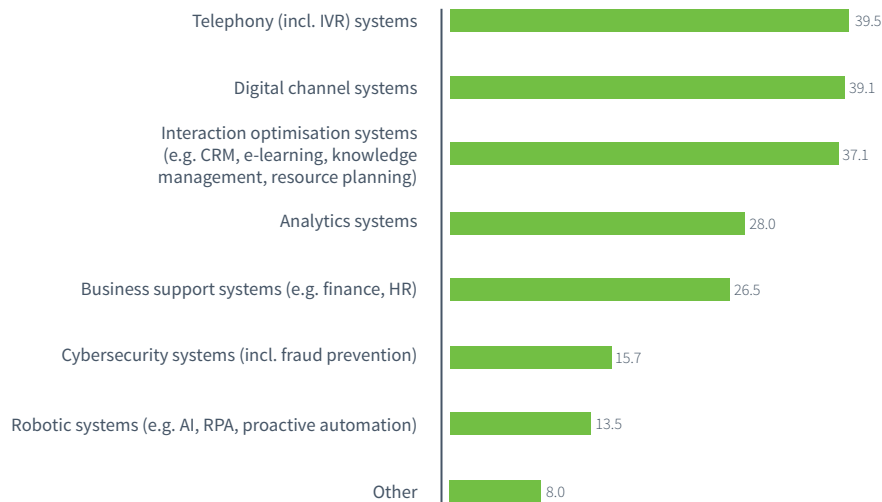
Identify your operational strategy for cloud

You'll need the right skills to manage the complexity of multivendor, mixed-mode CX technology solutions. You may prefer to develop in-house technical skills or look at a managed service or an outsourcing arrangement. Once you've identified your operational strategy for cloud:

- **Choose the cloud service type** that will best enable your strategy: self-managed, private cloud, or public cloud.
- **Decide where the components of your CX technology should be** – on-site, off-site, or hybrid – to optimise performance.
- **Consider corporate governance** and internal security policies in all decisions.

6.9 There's a relatively balanced spread of technologies being hosted in the cloud.

The benefits of cloud indicated by existing users suggest these numbers will only increase.



Which elements of your technology are currently, or will be, hosted in the cloud within the next year? n=547

☆ *New question*

Availability of cloud solutions spans all technology systems

Overall, there's a relatively balanced spread of application types being advanced. The availability of cloud solutions has expanded to include every technology system. The pattern of cloud implementations remains relatively consistent across sectors, customers and type of service.

Telephony and digital channel systems top of the list for cloud



71.7%

Results from the 71.7% of organisations using or preparing to migrate to cloud infrastructures show that telephony (including IVR) and digital contact channel systems are virtually on par in terms of being deployed or planned for deployment in cloud in the next year.

Cloud adoption on the rise but still has some way to go

With existing users acknowledging the benefits of cloud (see Q6.10) and most organisations intending to double their cloud usage in the next year, we expect to see an increase in these numbers. That said, cloud adoption still has some way to go: data security, real-time media handling, redundancy, and operational control may see many organisations holding back on large-scale cloud adoption.

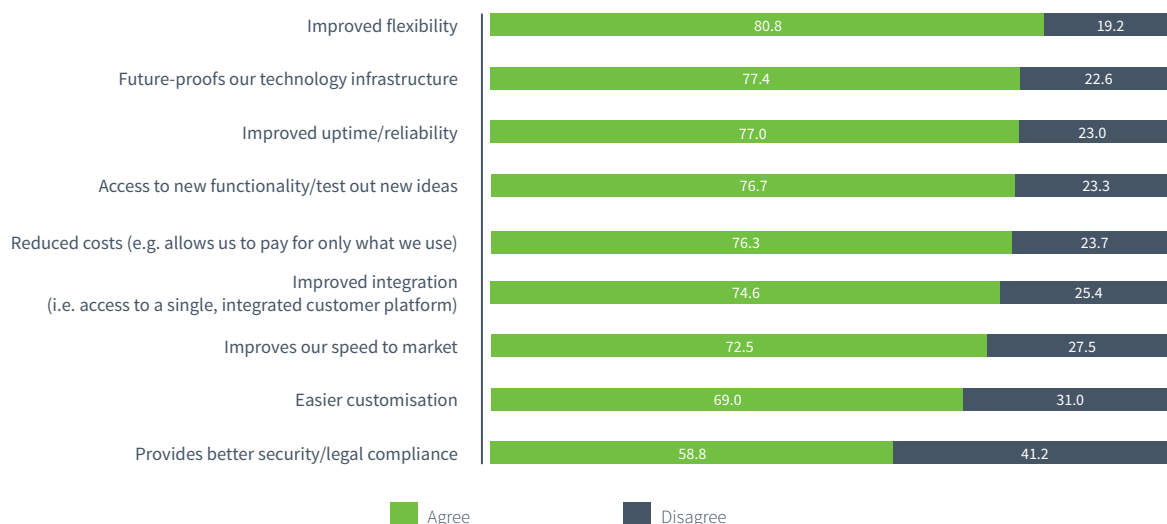
Take a measured approach to cloud adoption

- **Know which parts of your CX capabilities are mission-critical** and which you are comfortable with effectively outsourcing.
- **Gain experience on cloud performance** and fit by taking advantage of proofs of concept to try out low-impact CX service elements in the cloud.
- **Develop a mature approach** to measuring the availability, performance, and reliability of cloud-based CX technologies.



6.10 80.8% say cloud solutions provide improved flexibility; 76.3% say it's helped them cut costs.

Based on the results achieved from existing users, the case for cloud seems compelling.



Cloud users: How has the use of hosted/cloud technologies affected your business? n=245

Flexibility, future-proofing, and cost savings are the main benefits of cloud

Feedback from users of hosted cloud solutions indicates compelling benefits: 80.8% say cloud has improved flexibility and 77.4% say it contributes to future-proofing their technology infrastructure. Reduced costs, an ongoing cloud benchmark trend, is recognised by 76.3%.

Large increase in benefit of being able to test new ideas



76.7%

Access to new functionality is seeing double-digit growth: 76.7% of organisations now state that cloud solutions allow them to test new ideas on a proof-of-concept basis. Hosted cloud improves systems integration capabilities (74.6%), improves service uptime and reliability (77.0%) and helps improve their speed to market (72.5%).

Benefits of adopting cloud technologies are clear

For several years now, organisations have reported on how cloud can unlock opportunities for those that are open to it. Organisations migrating to cloud are freed from traditional legacy constraints without compromising reliability, and are able to test new ideas. Concerns about security continue to diminish each year as cloud providers improve controls.

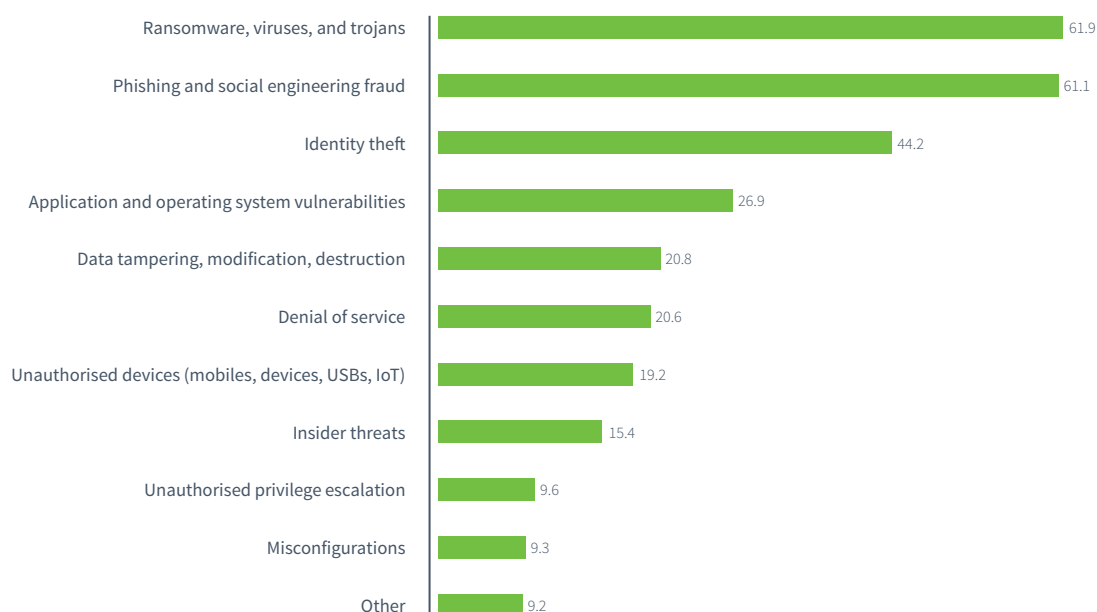
Make cloud solutions work for you

- **Understand how security policies** align to a cloud strategy.
- **Assess the reusable value** of subsystems to influence a migration plan to cloud. For example, can existing on-premise technologies interoperate with cloud services to achieve a hybrid platform?
- **Focus on the total cost of ownership** over the expected lifetime of the service, including the transition period.



6.11 Ransomware, viruses and trojans are deemed a top cybersecurity threat, alongside phishing and social engineering fraud.

44.2% see identity theft as a main risk while 19.3% consider unauthorised devices a top-three threat.



What do you consider to be the top three cybersecurity threats affecting your business (e.g. company data)? n= 720



New question

Top three threats mostly consistent across regions and operations

The top three cybersecurity threats are being felt in relatively equal measure – and are similar across regions and operations. Ransomware, viruses, and trojans are seen as the greatest security threat, alongside phishing and social engineering fraud. Identity theft is also a concern.

Digital-only operations more worried about applications and operating systems

Digital-only operations are the exception. For these operations, application and operating system vulnerabilities replace identity theft in the top-three list, with 46.2% saying these are a concern.

Security concerns vary by industry

Other variations are found across industry types. For example, data tampering, modification, and destruction is a top-three concern in the hospitality, and energy and utility sectors. Identity theft is a huge issue for banking and investment companies.

Contact centre needs specific security measures

The contact centre is where a large number of interactions take place with people outside the organisation, some of whom have bad intentions. It's normal to focus on security systems for digital interactions (for example, antivirus programs) but protecting against social engineering attacks is more difficult. This is where technology needs to work in concert with policy, process, and agent training.

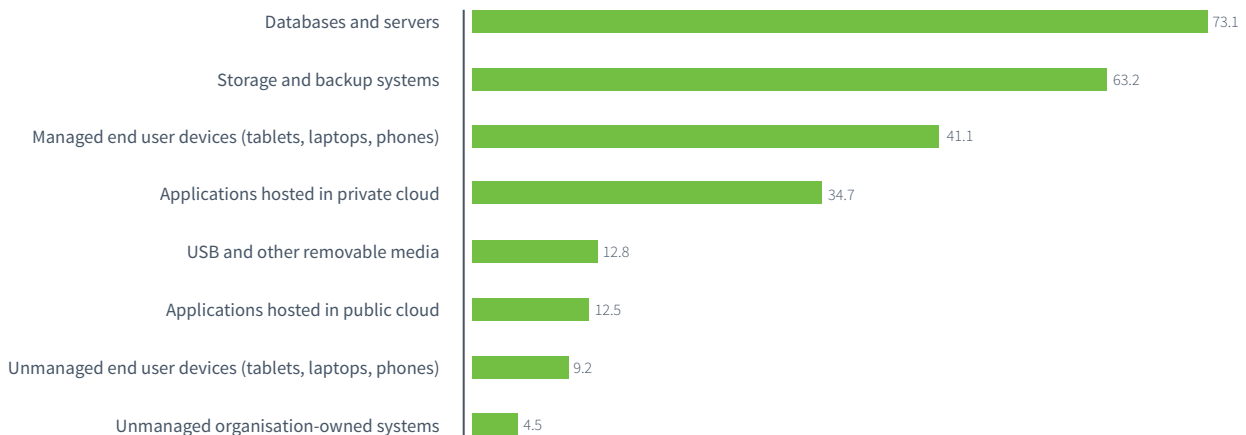
Strengthen security in your contact centre

- **Understand the sensitivity of data** handled by different channels and the regulations that apply to managing it.
- **Implement policies and procedures** for managing risk.
- **Educate agents:** explain their role in security, and how the policies and procedures work.



6.12 87.2% of organisations no longer allow sensitive data to be stored on USBs and other removable media.

Only 9.2% will allow unmanaged end user devices (tablets, laptops, phones), as enterprise servers and storage systems present the least risk.



What systems and/or devices are approved for use to store sensitive company data? n= 718



Databases and servers most commonly approved storage systems

For almost three-quarters (73.1%) of CX operations, databases and servers are the most commonly approved systems for storing sensitive company information, followed by storage and backup systems (63.2%).

Organisations clamping down on devices used to store company data



93.2%

The use of removable devices is now prohibited by 93.2% of insurance organisations and 96.8% of those in the automotive and manufacturing sector. The global benchmark is 87.2%. Another area receiving attention is the unmanaged use of devices such as tablets, laptops, and phones, which are now permitted by just 9.2% of CX providers.

Close to half opting for private or public cloud platforms

Almost half the organisations surveyed (47.2%) have applications hosted on private (34.7%) or public (12.5%) cloud platforms.

Cost of data breaches is high

Mandatory data breach disclosures and Payment Card Industry (PCI) audit requirements have dramatically shifted the focus to customer data protection. The cost of a data breach goes well beyond the monetary value of fraud: it also puts trust in your brand and the reputation of your organisation at risk.

Keep up with data protection

- **Security and the protection** of customer data need to be key pillars of the culture of CX-focused organisations.
- **Educate employees on policies and procedures**, and keep these up to date as security legislation, regulations, and systems change.
- **Use systems you can control** to manage the risk of data breaches.



6.13 Improved authentication and access control is seen as the main factor that will reduce cybersecurity risk.

Network-level countermeasures dominate threat prevention practices.



What do you see as the top three areas that will improve your cybersecurity protection? n= 717

☆ *New question*

User authentication and access control key to cybersecurity

Over half the organisations surveyed say that new or upgraded authentication and access controls will help improve their cybersecurity protection. This area of exposure is acknowledged most in MEA and Asia Pacific; less so in the Americas.

Organisations focusing on network security



21.2%

Network-level countermeasures dominate threat-prevention practices, with intrusion prevention, security analytics, and data encryption capabilities vying for second place on the list. Next-generation antivirus software is a top-three requirement for 21.2%. Very few (8.4%) list email security as a risk mitigator.

Comprehensive cybersecurity is mandatory

General Data Protection Regulation (GDPR) compliance has received significant attention this year. If you want to deliver a trusted service to customers, comprehensive cybersecurity protection is now mandatory. You'll need stringent controls in place to ensure that innovation and digital transformation don't take place at the expense of security and the customer's right to privacy.

Cybersecurity must reach everyone involved in CX

In an era where full and partial outsourcing is common, and work-from-home and mobile work arrangements are increasing, you need far-reaching cybersecurity protection.

- **To ensure your cybersecurity protection is relevant**, it needs to be updated as threats and work practices evolve.
- **Cybersecurity protection** must cover all work locations (office, mobile, home).
- **Everyone in the organisation**, including employees, contractors, and outsourcing partners, must have equally robust cybersecurity protection.



6.14 15.3% of organisations say that not having dedicated cybersecurity personnel is a barrier to improving security systems.

The most common barriers to better security are an ineffective understanding of the current risk profile and lack of alignment between business and security strategy.



What are the primary barriers to your organisation's ability to deploy better security systems? n= 717



Security issues should be addressed in context of organisational needs

The most common challenges to better security relate to understanding the organisation's risk profile (24.0%) and aligning business with the security strategy (23.2%). Other issues include lack of executive-level buy-in (15.2%) and struggling to articulate security risk in business and financial terms – including the return on investment in security (16.6%).

Some organisations accepting risk in order to accelerate



12.7%

Taking on an acceptable level of risk to help them accelerate their speed to market is a calculated decision for one in eight (12.7%) organisations. This decision is most prevalent in budget brand operations.

Embedded cybersecurity makes cloud solutions an attractive option

Even if you've identified a risk profile and security strategy, you need skills to implement it. This is a major issue in most parts of the globe: 15.3% of organisations say a key challenge is simply not having dedicated security personnel (we see this mostly among smaller operations). For some organisations, embedded cybersecurity standards and services is one of the major advantages of moving to a cloud solution.

Take a strategic approach to cybersecurity

- **Engage a security specialist** to understand your risk profiles and develop an appropriate security strategy.
- **Consider the security benefits** of cloud solutions and services, especially if you're a small organisation.
- **If you have limited budget and specialist skills**, you may need to implement a carefully sequenced series of security initiatives over time.



07. Employee experience and workforce optimisation

Meaningful customer interactions depend on employee experience and workforce optimisation.



Employee experience and workforce optimisation: harmonising high-impact engagement, automation, and change

Agents recognised as CX difference-makers

Yet,

two in five organisations do not measure *employee experience/engagement levels*.



45.9%
are now tracking *employee morale*.



38.0%
have implemented *employee wellness initiatives*.

The relationship between CX and employee satisfaction is the main factor *reshaping organisational cultures*.



50.9%
recognise they need to evolve if *they're to recruit and retain talent*

AND



41.5%
appreciate growing employee *demands for better work-life balance*

Working practices and environments are adapting to employee needs

Top strategies to meet *evolving workforce demands*:



56.6%
flexible working



52.8%
workspace environment

1/3

also adapting recruitment and training approach

New techniques are being adopted to optimise the changing workforce



Top factors that improve workforce optimisation



#1 analytics



#2 rethinking operating model/structure



#3 digital transformation initiatives

Training techniques have changed radically in two years

E-learning the deployments have more than doubled in the last two years *and are now the training method of choice*.



Video-based *learning has tripled in last year*



BUT 49.5%

of CX teams are still restricted to traditional *(static) knowledge management systems*.

Time for a reality check



The top quartile is *performing at ten times the level of efficiency*.



The human element is at the centre of *positive organisational change*.



Cultural and workforce optimisation is critical if *CX is to remain relevant to evolving customers*.

When it comes to customer satisfaction, ease of resolution counts most.

First contact resolution (FCR) returns as the *most used operational performance measure*:

Telephone	Assisted-service	Automated solutions
76.2%	68.5%	61.8%



Net Promoter Score rises *from 6th to 3rd top performance measure*.

Engage and analyse for maximum delivery at minimum cost

You need to optimise... but how?

- Create employee experiences that encourage productivity.
- Harmonise automated solutions to optimise cultural change strategies.
- Analytics are a must to inform and validate successful business transformation.

Let us help you develop an employee-centric and capable workforce.



The art and science of the optimised workforce

When we talk about an optimised workforce, we're not necessarily talking about one with the greatest outputs or the fastest delivery. Rather, optimisation is about maximising delivery and customer satisfaction at minimal cost, throughout the customer journey. Both employee experience (EX) and workforce optimisation play a role here.

Simply put, EX = CX: having happy employees means happy customers. Employees who feel engaged, valued, and motivated in their work will strive to deliver for both the customer and the organisation.

It's one thing to claim that employees are your greatest asset, but if you're leaving EX to chance, you run the risk of low productivity and poor CX. It's up to organisations to create opportunities for their agents to be difference-makers. Listen to what your employees are saying so you can create a positive environment for them to deliver.

If EX is the art behind CX, workforce management is the science. Workforce optimisation tools empower employees to perform better, so you get more value from the skills you've invested in. Look at building a model that combines CX, quality management, and operational data to reveal opportunities – and opportunity costs – in your workforce.



Meet our experts



Diane Meyers

Head of Human Resources at Merchants SA, Dimension Data

Diane Meyers is an HR professional with local and international experience in HR management, business management, and client engagement, focusing on CX and EX within the contact centre industry.



Mithum Singh

General Manager Operational Support and Shared Services at Dimension Data

Mithum Singh has 18 years of contact centre experience in both captive and business process outsourcing organisations, across a variety of industry verticals.

Expert insights

Employees are the heart of CX

Efforts to improve CX through technology, better marketing, or more efficient processes are valuable but will take you only so far. Recognising employees as the heart of CX will make all the difference.



In this year's report, we see that the relationship between EX and CX is the main reason behind the drive to reshape organisational culture.

In essence, EX is becoming a tactic for improving customer satisfaction and, ultimately, CX.

Implementing this strategy may well require you to adapt your recruiting, training, and management practices to meet the expectations of a workforce that takes something of a consumer approach to employment. People choose who they want to work for based on what they see online and read on social media. They're looking for learning and development opportunities and on-the-go managerial experience, and they expect to work in a fast-paced, digital environment.

Creating memorable EX, from recruitment to exit

One bad experience can drive an employee to social media within minutes, so it's critical to pay attention to every experience an employee has within the organisation, from the recruitment process to the exit interview. Here are some approaches to consider in creating an environment of trust and ownership.

Technology-driven talent recruitment

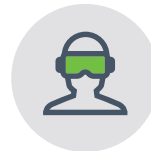
As technology takes over more mundane tasks, leadership and interpersonal skills are becoming more sought-after than technical abilities. Digital recruitment methods allow you to set up skills profiles for different roles, test certain technical abilities upfront, and even run algorithms to determine which environment would best suit a particular employee's profile. This makes the process faster and more efficient, and is particularly helpful if you're running bulk recruitment campaigns.

On-the-go learning and development

Training is moving from room to screen. Some organisations are restructuring budgets to offer online self-service training that's designed to meet the needs of a wide range of employees.

Online learning can replace, or complement, other training methods, such as classroom-based courses, experiential training, and mentoring. Microlearning

modules allow people to learn on the go, in short, powerful bursts, empowering employees to manage their own career development.



Augmented reality, which allows employees to practise new skills without the 'fear factor' of being in a live environment, will be the next disruptor in employee training.

Real-time communication

Communication is vital to EX but often tends to get stuck at managerial level. Now, messaging and social networking apps are being used to communicate within teams and across the broader organisation, drastically improving information sharing and allowing people to get answers to questions quickly.

Leaders who listen

Not sure how to make your employees happy? Ask.

Memorable EX is sustainable only if you have a supportive, empathetic leadership team who can engage respectfully with employees, listen to their individual needs, and take a holistic approach to their wellbeing and development.

If you're not listening, you can't drive change.

Here are some of the items we're seeing on the wish list of today's workforce:

- Allow me to engage in meaningful work that gives me a sense of purpose.
- Recognise the value I bring to the organisation.
- Take a holistic approach to my wellbeing – give me access to support for my emotional, psychological, financial, and family wellbeing.
- Help me achieve my lifestyle goals and career aspirations with a development programme that's set up just for me, and training opportunities that allow me to progress quickly and get promoted faster.
- Be flexible and give me options that support work-life balance. I'd like to choose when, where, and how I work.
- Trust me to take ownership of my work.
- Enable me to do my best by providing facilities and technology that help me perform.
- Create a work environment that promotes creativity and makes coming to work an enjoyable experience.
- Recognise my needs in the context of my future career, not just my current role.
- Give me variety in my work – keep me interested and engaged.

Making connections with predictive analytics and knowledge management

Knowledge management also has a vital role to play in supporting new ways of work and increasingly well-informed, self-sufficient customers.



Organisations will need to get smarter about using predictive analytics to help agents not only answer the current query, but also prompt or anticipate the next two or three.

By using analytics to build employee profiles, organisations will have a clear view of the skills people have (for example, verbal or written), where these can best be deployed (telephone or web chat), and where the gaps are. It will also help to develop more advanced capabilities, like linking customer profiles with the profiles of frontline staff to improve customer satisfaction, and better enable cross-selling, upselling, and next-best-actions to retain customers.

New ways of working and measuring success

Absence and attrition rates reflect how engaged and committed employees are, but evolving workforce demands may require new metrics. Rather than hiring for long-term tenure, organisations will be bringing together cross-generational teams with specific skills for shorter periods to drive innovation or fix a specific problem.

Old-school recruitment and performance management models will need to be transformed to build a workforce that best suits the organisation's objectives and CX goals.

Workforce optimisation needs data and analytics

Regardless of which metrics you use to measure, manage, and optimise your workforce, you'll need more than just experience and in-house knowledge going forward. Data and analytics will be critical to workforce optimisation, helping you correlate employee performance data with organisational metrics to find the right balance between maximum customer satisfaction and minimum costs.

Accountability across the value chain

The reality in many organisations is that workforce management, operations, quality management, and CX teams work independently and have separate key performance indicators. To match the art of EX with the science of workforce management, you need to take a step back and look at your workforce optimisation plan critically. If it's limited to pockets of people and processes dotted across the business, you could be missing out on opportunities to create value and differentiate your employee value proposition in a cost-effective way.



Realistically look at where you're focusing your resources: if your budget and planning are going to old-school employee perks, you're not offering what people are looking for from their work.

Find a way to create a unique workforce model that integrates analytics, technology, and employee performance so your people can deliver in a way that makes them feel valued and empowered. In this way, you can build a workforce that's willing and able to make a game-changing contribution.

Data insights

7.1 Nearly two in five organisations (39.5%) do not measure employee experience or employee engagement levels.

There's an opportunity for most to better understand the relationship between EX and attendance, retention, personal development, and other related metrics.



Which of the following employee experience (EX) indicators do you measure? n= 703

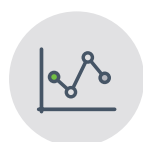
☆ *New question*

Significant regional and sector differences

The survey results indicate significant regional and sector differences in how organisations manage and measure employee engagement and employee experience. For example, employee morale and motivation are the most popular indicators in the automotive and manufacturing industry (64.5%). In the technology industry, employee retention is the top choice (only 39.2% of technology organisations measure morale). For others, attendance is the most important indicator of EX.

There are variations at a regional level, too.

Less traditional processes finding favour



38.0%

Looking beyond the top four at some less traditional approaches, nearly four in 10 (38.0%) are now tracking employee wellness and almost a third (30.3%) are tracking employee satisfaction with management relationships.

Create employee experiences that encourage productivity

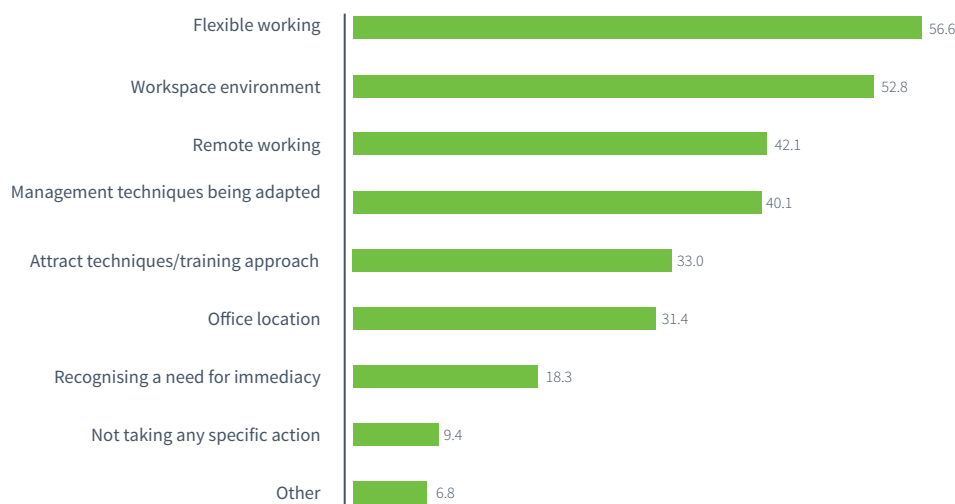
Exceptional day-to-day employee experiences that align with organisational culture will yield more positivity across employee groups. This results in increased work output. Trust, transparency, and a sense of belonging between leaders and employees will encourage positivity and productivity.

- **Design exciting workspaces** where employees feel they can both work and have downtime, as this contributes to productivity.
- **Help employees own their career** by providing opportunities like mentorship programmes and online learning portals, empowering employees to take ownership of their work.
- **Upgrade technology and systems** so employees can work on the latest software and applications, as these are connected to social behaviour and creativity.



7.2 Organisations continue to open up to new, employee-centric operating models.

Four in ten have recognised the need to adapt management techniques for the evolving workforce; nearly a fifth (18.3%) acknowledge a growing demand for immediacy in communications.



What strategies are you applying to meet the demands of today's evolving workforce? n= 703



Working practices and environments adapting to employee needs

Over half (56.6%) of the organisations surveyed have adopted flexible working arrangements, adapting traditional mindsets and operating models to better meet the needs of today's evolving workforce. The workspace environment is another top consideration. Both are tactics deployed by every operation type and in all contact centre environments.

Different practices, different benchmarks

Regionally, the pattern is replicated everywhere but the Americas, where remote working is the most popular strategy, and the Middle East & Africa (MEA), where adapting management techniques is the most common approach.

Training and communication also receiving attention



33.0%

Emerging approaches to monitor include different training techniques, an area that 33.0% are planning for. Another 40.1% are revisiting their management style and almost one-fifth (18.3%) have taken steps to address the need for more immediate communication.

Remote working practices offer several benefits

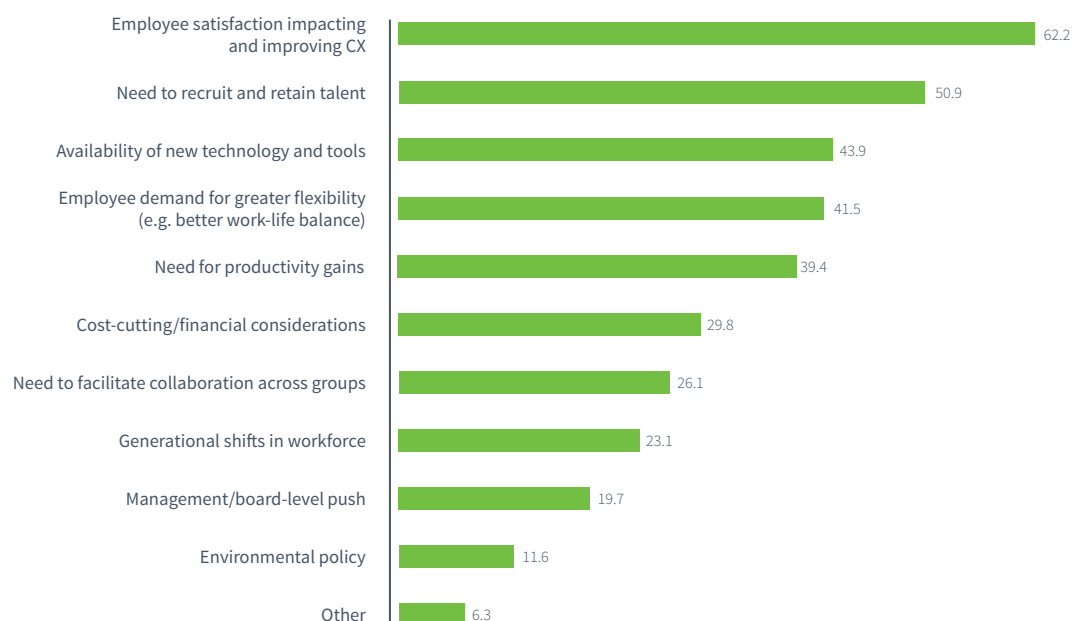
Sector type is a key consideration when determining the benchmark most appropriate for your organisation – not everyone can offer flexible or remote working practices. But some, like 24/7 CX operations servicing international markets, can offer flexibility in agent shifts, which helps to increase productivity and reduce stress. Remote working is also generally recognised to reduce absenteeism.

- **Remove the daily stress factor** by letting agents select their shifts to accommodate commuting requirements, child care arrangements, and personal circumstances.
- **Keep employees up to date** on changes and campaigns by communicating on a variety of channels, reducing reliance on communications from management.
- **Make training courses and software updates available online** to reduce time spent away from the 'desk'. This will help employees be more productive, while gaining access to the technology they need. Allow managers to track the status of online training as well.



7.3 The relationship between CX and employee satisfaction is the main factor reshaping organisational cultures.

One-fifth say their cultural evolution is being driven by management or the board pushing for change.



What are the main drivers of new working practices and/or organisational culture change? n= 701

☆ *New question*

Human element at centre of organisational change

Digital has already transformed CX operations, and the acceleration of robotic automation and AI will accentuate the need to adapt organisational cultures. It's therefore significant that the most crucial drivers of new working practices and organisational culture change relate to the human element.

CX performance and focus on talent come before technology

Almost two-thirds (62.2%) of organisations name the relationship between employee satisfaction and enhanced CX performance as the top driver of these changes. Half (50.9%) say that sourcing and retaining the right talent is the second most important consideration. Technology aspects come in third.

Reinforcing the value placed on the human contribution, four in ten companies (41.5%) are investigating how to develop greater flexibility for their employees to accommodate work-life balance. And cost is always a factor, driving change in 29.8% of companies.

Social media an opportunity to connect to employees in new ways

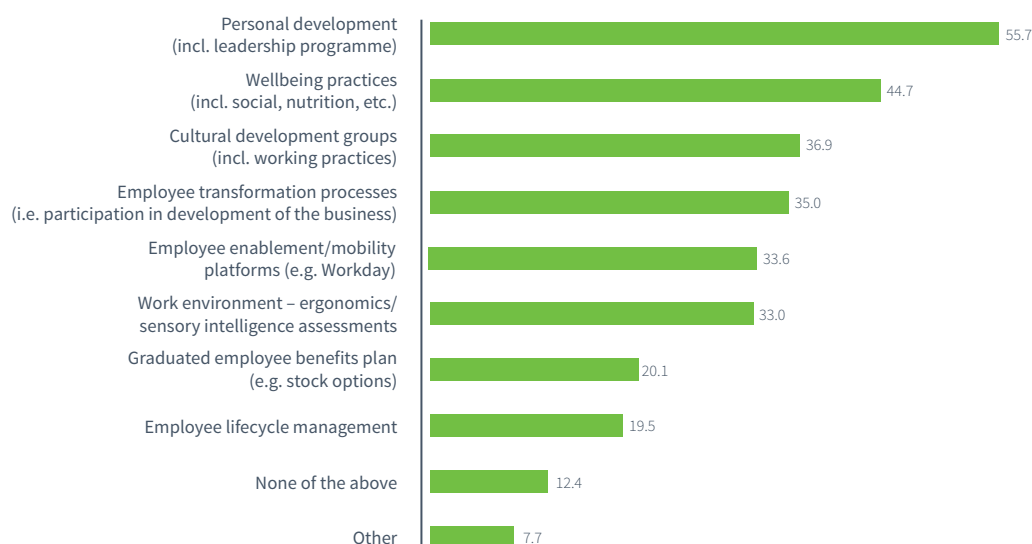
Technology changes are affecting the way organisations attract and retain talent. Potential employees are using social media to choose the organisations they want to work for. Staying connected to employees through social networking applications is transforming company operating models.

- **Look at artificial intelligence and digital recruitment methods** that enable you to attract diverse talent in a short time and transform your organisational culture.
- **Use communication methods that mirror the way employees communicate socially.** This alleviates frustration when technology has not been upgraded to support their functions or communication is limited to emails.
- **Take an agile approach to learning and development** to keep employees engaged in and committed to their own career development, including career progression and timelines.



7.4 44.9% of organisations offer an employee wellbeing programme.

More than one-third (35.0%) involve employees in the evolution of the business, and a third conduct work environment assessments.



What methods are used to drive employee experience and improve employee engagement levels? n= 702



Personal development the most favoured EX approach

Personal development systems have long been associated with employee satisfaction, so it's not unexpected to see this ranked as the top approach used to drive employee and workplace engagement. More surprising are the regional variances in taking this approach, from just 44.2% in Asia Pacific to 70.2% in Australia and New Zealand.

Wellbeing practices a preferred method for many

Wellbeing practices are now the second most used EX system overall (44.9%). They're the primary method used in the Americas and in several industry sectors, including insurance, as well as in digital-only service centres (no telephone channel).

Value of employee participation not recognised by all



35.0%

While 35.0% say they seek employee participation in developing the organisation, not all are convinced of the value of doing so. For example, 20.8% of those in the retail and wholesale sector have defined methods for encouraging and improving EX.

Holistic approach to wellbeing encourages ownership

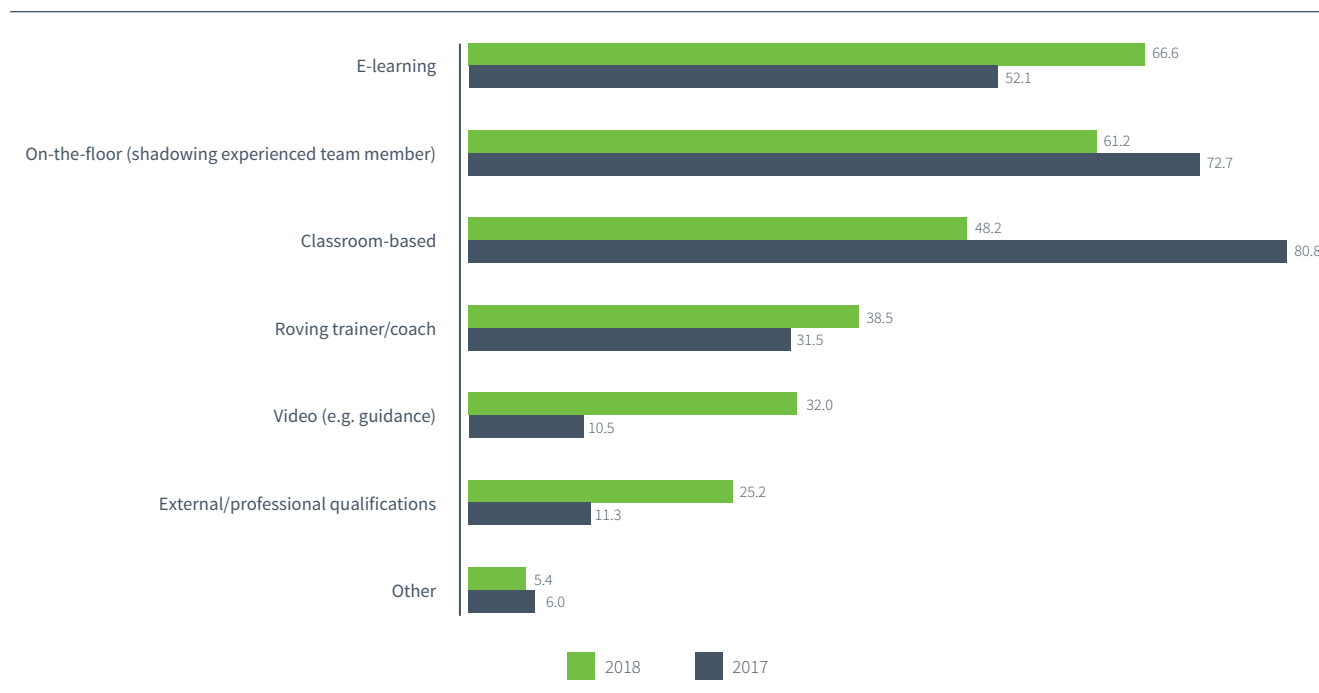
Holistic employee wellbeing encompasses health and wellness as well as future development opportunities. This causes employees to feel cared for, invested in, and valuable – and more likely to take ownership of their work.

- **Implement a wellness policy** that covers emotional, physical, and psychological wellness. You can offer different benefits at different employee and management levels.
- **Encourage healthy choices.** Smoothie bars, healthy food choices, even a daily supply of fruit on-site helps boost employee health. Exercise groups encourage fitness and develop team spirit and unity.
- **Host regular wellness days** that include financial counselling and budget training to help alleviate the stress of financial management that so many employees face, leaving them to rather focus on work.



7.5 E-learning continues to surge, with deployments more than doubling in the last two years. Video-based learning has tripled in the last year.

Traditional classroom-based approaches have fallen dramatically, from 83.2% in 2016 to just 48.2% this year.



What are the most effective training techniques for today's evolving workforce? n= 701

Training techniques have changed radically in two years

As workforces evolve to meet new role and competency requirements, the last two years have seen some radical changes in training techniques. Organisations have quickly moved away from classroom-based approaches and e-learning has surged.

E-learning now the training method of choice

E-learning deployments have grown by 27.8% since 2017, and e-learning has risen from being the fifth training technique of choice in 2016 to the preferred option for today's CX workplace. Video learning has also seen a burst in adoption. Now in place for 32.0% of operations, its use has tripled since 2017.

Combination of techniques includes on-the-job training

Organisations continue to adopt a combination of training techniques. For the majority, that means a blend of e-learning and on-the-floor training, where new recruits are mentored by a more experienced team member. There are some preferences by operation type, but the global trends apply generally.

Microlearning a rising trend

E-learning supports the evolution to microlearning as it can be delivered in short modules. These concise, frequent bursts of information leave employees feeling successful, and support the on-the-go mentality of today's workforce.

- **Present a combination of e-learning and classroom training** as a first step, as not all organisations can afford to make the change to e-learning overnight.
- **Cater for a range of needs with e-learning and microlearning apps**, from the growth and development of agents to entry-level leaders. Employees can learn when it suits them, and trainers can track their progress.
- **Use apps to measure the success of training methods** in the first three months after training has been completed to get insight to both employee and trainer success.



7.6 Training allowances for new employees have fallen by 23.7% and are now just over two weeks.

Development training levels also see a slight drop as e-learning techniques gain in popularity. Vacation allowances continue to float around the four-week mark but vary by region.



How many days do you allocate for: n= 544

Top quartile organisations more generous with allowances

Benchmarks for new employee training nearly always vary by sector, region, and operation type; however, training and vacation allowances are notably more generous among organisations in the top quartile.

Allowances for induction and development training are down

With the rise of e-learning, training allowance days are dropping. New agents can expect just 11.9 days of induction training (5.6 days in 2017) and nearly two weeks (9 days) for development training, although top quartile organisations offer a third more (12 days).

Vacation allowances vary by region

There's been a slight downturn in vacation time over the last three years. Globally, agents can expect around four weeks off (19.2 days). While Europeans benefit from the most generous structures, at 24.3 days (15.7 days in the Americas), it's important to recognise that contracts are crafted differently in different regions.

Consider wellbeing aspects of allowances

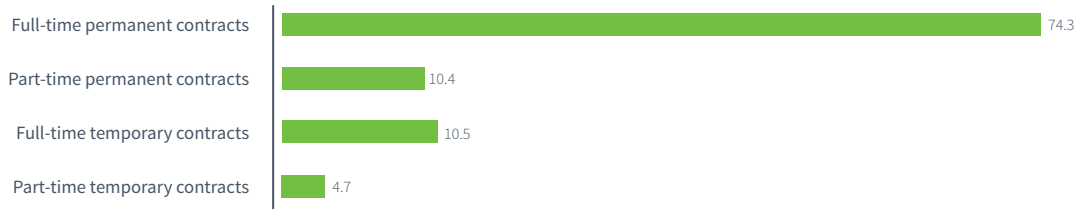
Induction, development training, and vacation time all relate to employee wellbeing. Training time will always depend on the complexity of the job, but all learning methods should support employee engagement, as ongoing development encourages continued commitment. Leave days provide valued rest time as a reward for employees.

- **Use digital recruitment tools** to get data on employees' abilities so you can match similar groups with the right trainers to accelerate the rate of learning and reduce learner frustration.
- **If you're not ready for micro learning** implement interactive classroom training, on-the-job experience, and e-learning elements after induction.
- **Everyone enjoys leave, so offer more than what's legislated**, then increase the number of days off based on tenure. This immediately tells employees you care.



7.7 84.7% of CX employees now enjoy a permanent contract, but there's wide variation among both regions and verticals.

Temporary contracts are at the lowest they've been in five years.



What percentage of staff are employed on: n= 606

Global increase in permanent contracts, with variations

The number of employees on permanent contracts has increased for the first time in six years. Globally, almost three-quarters (74.3%) of CX resources are now hired on full-time, permanent contracts, while 10.4% have part-time but permanent arrangements. The remaining 15.2% are on a form of temporary contract, down from 19.9% in 2017.

There are some wide ranges in approaches regionally



24.3%

In MEA, just 7.8% of employees work part-time. That figure is 24.3% in Europe.

There's also a broad range of employment models at a sector level

In the public sector, 78.5% of employees are permanent, compared with 91.7% in automotive and manufacturing. Prestige-level brands offer the most contract security.

Contract types should support organisational models

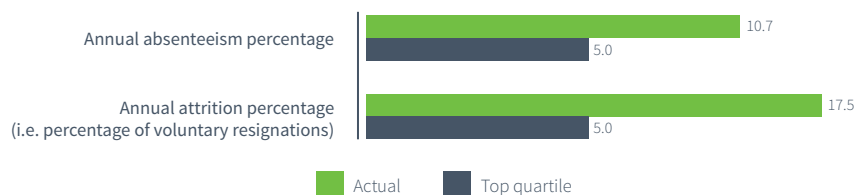
All contract types have both pros and cons attached. Organisations that need to quickly ramp up or down in line with customer demand may offer temporary contracts, with the option for high-performing 'temps' to be placed permanently, with benefits. Part-time contracts offer an alternative for keeping experienced employees looking for work-life balance, while supporting skills transfer in the organisation.

- **Implement a glidepath approach to the employee journey**, where employees work their way from contract to full-time employment. This allows you to assess their performance at different stages and encourages performance.
- **Consider limiting the time employees can be on a temporary or part-time contract** in order to drive tenure and performance. The additional employee benefits offered by full-time contracts are an attractive end goal.
- **Look at using part-time contracts for skills transfer.** Part-time contracts support the employee more than the organisation. Consider using these as an opportunity for skill transference in hard-to-find roles.



7.8 Absenteeism in top quartile organisations is half the global average and attrition rates just a third.

Employee absence rates have floated around 10% for last three years, with a slight increase this year. Attrition has dropped gradually over the same period.



What is your average for each of the following? n=448

Absenteeism and attrition much lower in top quartile

For organisations in the top quartile, absenteeism is just 5.0% a year – less than half the benchmark average of 10.7%. Also, at 5.0% a year, their attrition levels are three-and-a-half times lower than the benchmark of 17.5%.

While there are variances across industry sectors, most are close to the global standard.

Lowest absenteeism in Europe; MEA has lowest attrition



14.9%

The lowest absenteeism rates can be found in Europe (7.1%), but attrition rates for the region are among the worst (18.0%). The top-performing region for attrition is MEA, where levels are at 14.9%.

Sales operations have higher rates than technology helpdesks

Absenteeism and attrition are higher in sales operations than in technology helpdesk operations. Customer services are sandwiched in the middle.

High rates indicate issues to be addressed

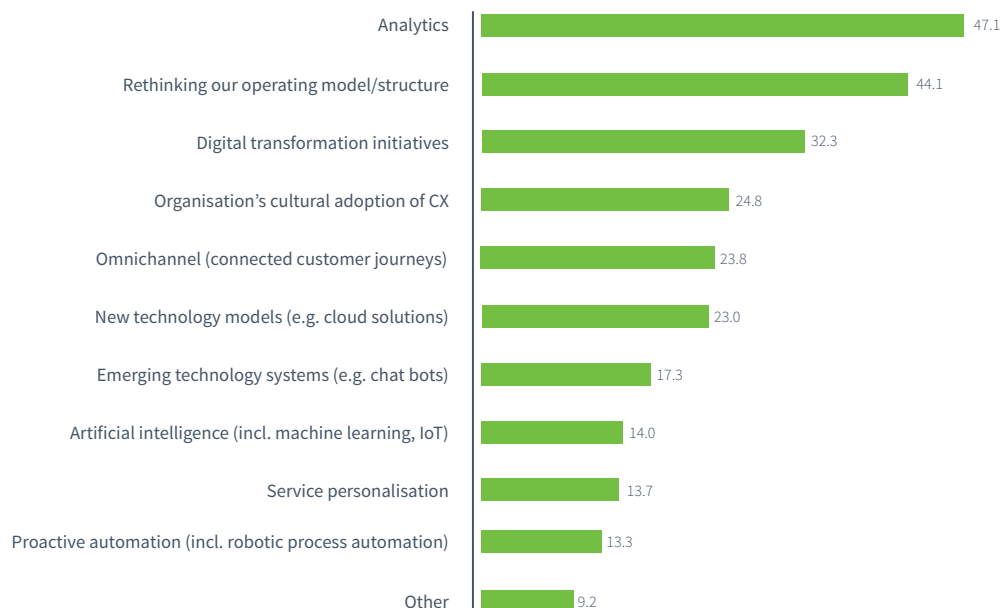
Absenteeism is closely related to EX, so would need closer inspection if levels are high. Poor planning results in frontline staff being overworked, which leads to employee burnout and dissatisfaction with management – contributing factors to attrition, absenteeism, and lost productivity. In MEA, almost 50% of attrition is reported as abscondment.

- **Recruitment, training, and communication must mirror the new world of work.** In MEA, the average age of CX agents is 29. Use social media platforms to drive EX, which in turn drives CX.
- **Invest in a just-in-time model so you always have a pipeline of trained agents available.** This will help reduce the impact of attrition and absenteeism.
- **Listen to what really matters to your agents.** Employee Net Promoter Score surveys and workplace forums with actionable outcomes show your commitment to a generation that wants fast promotion and the best tools to do their jobs.



7.9 Analytics is voted as the top factor in improving workforce optimisation.

Revised operating model structures are also recognised as a key differentiator in helping operations adapt to evolving activities and deliverables.



Which of the following have had the most impact on improving your workforce optimisation in the last 12 months? n=709

☆ *New question*

Emerging technology tops the list for digital-only operations

Analytics is voted as the top factor influencing workforce performance in all regions but Europe, where revisions to operating models are perceived as having a greater impact. The global benchmarks are replicated in nearly all sectors, facilities, and service types.

A noteworthy exception is the emphasis digital-only service centres place on emerging technology. Ranked seventh globally, it's the top factor affecting workforce optimisation (WFO) for this particular group.

Robotics and artificial intelligence yet to make an impact on WFO

Generally, the impact of robotics and artificial intelligence (AI) has yet to be felt on WFO practices; however, the opportunity and suggested intent to advance capability in both areas are well established elsewhere in our findings. Cloud-based technology will help expedite affordability and access to these fourth-generation solutions.

Analytics a must for transformation

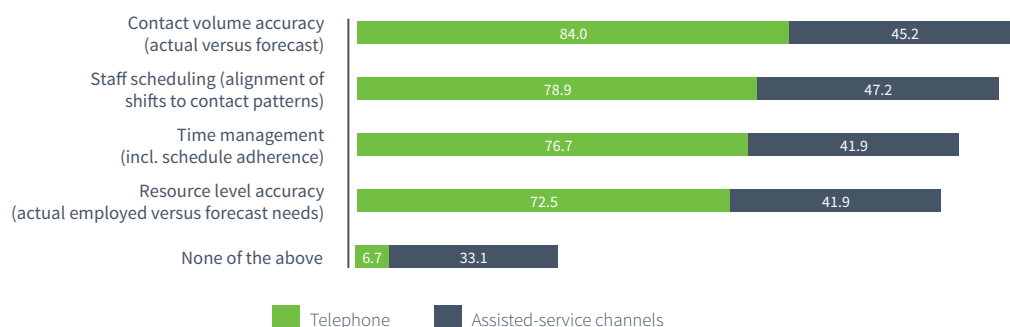
Analytics is a must for organisations wanting to transform their contact centres and influence the overall enterprise. Within contact centres, the use of simple analytics has been proven to influence several key performance areas, while advanced analytics has a wider influence on productivity improvements.

- **Analyse efficiencies.** Consider creating a simple efficiency analysis of key performance indicators, which in turn will influence your workforce optimisation process.
- **Evaluate technology.** Make sure technology is meeting, rather than compromising, organisational needs. If there are shortcomings, look at how to address these by following a technology roadmap.
- **Understand influences and users.** Once your transformation journey has been agreed, consider how macroeconomic factors may influence it. Also make sure you understand who the users of each channel in your customer base are (or will be).



7.10 Resource management systems continue to be widely neglected on assisted-service channels.

Inefficiencies are significantly affecting the cost to serve as well as customer effort, which is why channel strategies need to be reconsidered.



What workforce management (WFM) functions are in use to optimise performance?: n=356

Workforce management not yet widely applied in assisted-service operations

Workforce management (WFM) helps improve resource efficiency, which in turn has a direct impact on enhanced CX, as wait times – the third top factor affecting customer satisfaction – are reduced.



14.9%

WFM is widely practised in people-operated CX operations, particularly human-led channels in multichannel service centres: just 6.6% of CX providers don't apply WFM techniques in their telephone operations, and 32.3% of those say they don't use WFM for assisted-service channels. This is affecting the return on investment and perceived value of CX ventures into web chat, social media, and electronic messaging.

Gaps remain but advances are being made

Despite these gaps, we're seeing positive developments in WFM for all operation types. For example, the tracking of resource-level accuracy is up by 22.6% on telephony and 7.0% on digitally based solutions. In assisted-service operations, the tracking of contact volume accuracy is up by 25.6% from 2017.

Start investing in workforce management for assisted-service channels

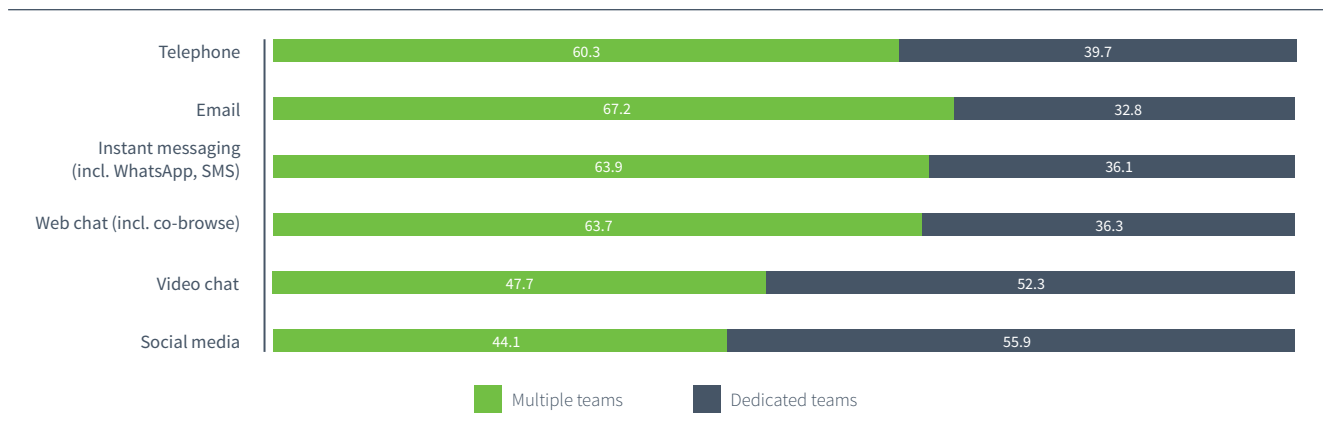
Generations Y and Z are an increasingly influential customer segment with a greater demand for assisted-service channels. As more organisations acknowledge the relationship between CX and revenue generation, now's the time to start investing in WFM practices to support these channels.

- **Ensure WFM practices are complied with across all channels.** Don't isolate WFM to voice. Start with basic time-series forecasting and workload-requirement calculations for digital channels.
- **Apply WFM accuracy measures to intraday plans** that help you balance workload with resources on the day, rather than weeks or months ahead. Accuracy at this level will directly influence overall efficiencies, which in turn contributes to better CX and commercial performance.
- **Safeguard your CX.** Make sure WFM forecasting and resource planning are the foundation of financial-year budgeting.



7.11 Just 39.7% of telephone agents remain dedicated to one contact channel; most agents can now support various channels.

Social media and video chat support are perceived as the most specialist roles.



How do you resource agent support across multiple contact channels? n=965

Progressive shift to providing support on more than one channel

Most CX agents now provide support across a variety of contact channel types. In 2017, just 32.5% of agents were multiskilled across several channels and most were restricted to telephone-based support. Today, only 39.7% of CX providers retain a team dedicated to phone support.

The last three years have seen a growing trend in blending two or more channels. Results vary by sector, region, and service type, highlighting that no one model fits all.

Social media and video chat most likely to have dedicated resources



55.9%

The channel types most likely to be resourced by a dedicated group are social media (55.9%) and video chat (52.3%). Almost four in ten telephone agents focus solely on telephone support, while over one-third of web chat agents (36.3%) are dedicated to that single channel.

Imperative to start developing multiskilled agents

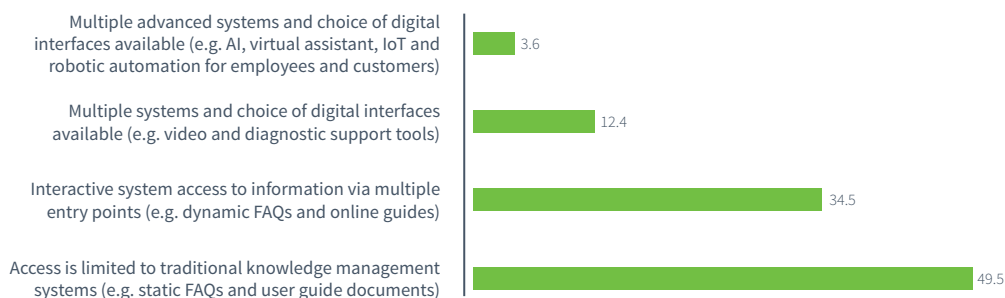
Faced with increasing channel complexity and demands to be more effective and efficient, organisations will need to push the multiskilling boundaries. With different competencies required across various channels, you'll need a focused development programme to support the multiskilled agent. Rather than forcing multiskilling into a technology roadmap, processes and technology should enable your multiskilling strategy.

- **Get the right skills.** Looking at your mix of channels, how can you staff for channels that require spoken and written communication skills, and how you could blend the two, bearing in mind that they are very different skill sets?
- **Consider process and technology requirements.** How will they influence and impact on your multiskilling efforts?
- **Support the multiskilling intent.** How will senior management and support functions be geared to support your strategy?



7.12 Half of CX teams are still restricted to traditional (and static) knowledge management systems.

The other half now access various forms of interactive functionality, which for 3.6% now includes robotic interfaces or AI.



How do you use knowledge management systems to inform users and help create relevant interactions? n= 412



Improvements in accessing knowledge management

Our 2017 report explored the deployment of standardised knowledge management systems. Just half (51.2%) the organisations surveyed then had a uniform, organisation-wide knowledge management capability.

This year's question was simplified to confirm the percentage of CX teams with access to knowledge management systems. While not a like-for-like comparison, there are signs of improvement: today, 58.9% have access to some form of knowledge-assistance technology.

Range of solutions varies from static to dynamic

Of the 58.9% of organisations with access to knowledge management solutions, 49.5% are limited to traditional systems such as static FAQs and user guides. Others have varying levels of interactive functionality, from dynamic FAQs to online guides, and 12.4% have digital interfaces for video and other diagnostic support tools.

Very few organisations have advanced solutions

For now, advanced forms of support that include AI and virtual assistant technologies are used by just 3.6% of organisations.

Proactive customer engagement the end goal

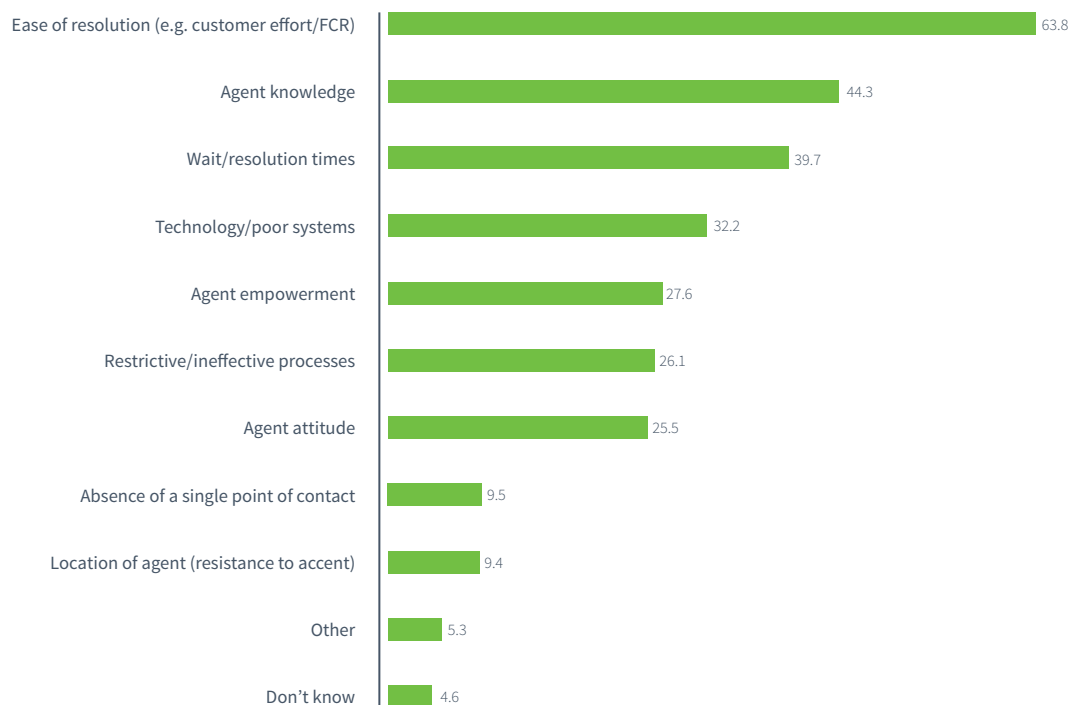
Customers are now conducting their own research to become experts. Organisations therefore need to find creative ways of using automation and predictive analytics to proactively push information to customers, based on their previous engagements, personal preferences, and profiles, or knowledge management systems on their own will soon become obsolete.

- **Analyse the top 15% to 20% of contact types.** If you can't give dynamic updates, you'll at least know which information to keep up to date in your knowledge management system.
- **Empower frontline employees** with information, knowledge management tools, and machine learning systems to enable the speed, competency, and productivity required for the changing channel mix.
- **Build knowledge management systems through a shared effort** between support functions, IT, operations, sales, and marketing, and link it to your strategic objectives.



7.13 When it comes to customer satisfaction, ease of resolution counts most.

The need for a single point of contact and the location of service teams are low priorities for most.



What are the top three factors impacting CX on agent-led transactions? n= 693

Agent knowledge a differentiator in certain environments

Ease of resolution continues to count most when it comes to customer satisfaction and is the top factor that impacts CX on agent-led transactions. Agent knowledge is voted one of the top three differentiators by nearly half (44.3%) of organisations and tops the list in business-to-business sales environments and telephone-only call centres.

Wait times climbing up the list again

Customer wait time (time to reach a live agent) had been replaced by ease of resolution and ease of contact in recent years. It's now back on the agenda, rising from fifth place in 2017 (32.0%) to third place this year (39.7%). It may not be the top determining factor, but this renewed focus shows it can't be ignored.

Stronger collaboration needed to improve ease of resolution

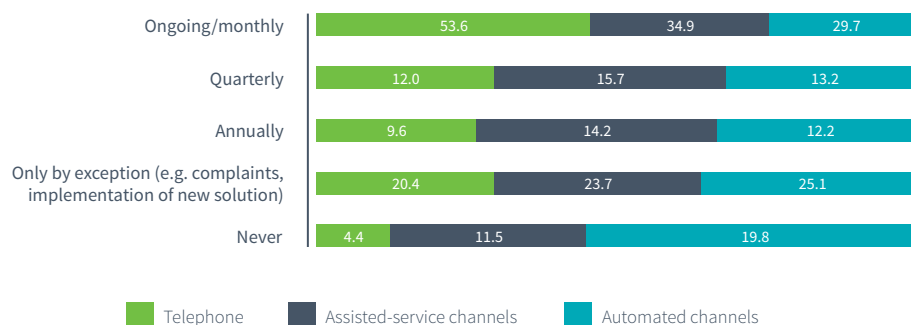
Ease of resolution can't be measured as a standalone key performance indicator, as there are several factors influencing the outcome and the customer's overall experience. As new channels continue to be introduced, organisations will need stronger collaboration mechanisms to improve knowledge of the frontline staff.

- **Don't neglect wait time.** It's still a major influence on CX, so include it in your WFO planning and hold management accountable for performance.
- **Create a closed-loop process for getting customer feedback.** If you ask customers for their views, be sure to address and act on them. Understand what customers are telling you at each point of the customer journey, so you can identify where breakdowns are occurring and make the necessary improvements.
- **Invest in social media listening.** This will give you real-time insights you can act on, and help you develop a proactive, tailored approach to resolution.



7.14 75.2% of organisations review telephone processes at least once a year; just 55.1% do the same for automated channels.

On average, 35.0% of CX processes are either never refined or reviewed only by exception.



How often do you review CX processes? n= 677

More regular reviews could help identify quick wins

As new channels are implemented and services added, ongoing process reviews can help validate strategic decisions and identify opportunities to improve. Review levels have advanced a little but still fall way short of optimised levels, so many organisations are missing out on quick wins.

Range of solutions varies from static to dynamic



44.9%

Almost half the organisations surveyed (44.9%) either never review CX processes on automated channels or do so only by exception. This ‘seldom-to-never’ approach is relatively high for assisted-service (35.2%) and telephone channels (24.8%), too.

Trailblazers are increasing frequency of reviews

Organisations with a more disciplined approach are conducting reviews more often (perhaps now appreciating the benefits). Those managing telephone processes lead the way, with 65.6% reviewing processes at least once a quarter (52.0% in 2017). Just 50.6% will do the same for assisted-service channels, and 42.9% for automated channels (35.8% in 2017).

Neglecting process review is risky

Given the relentless change in economic landscapes and constant need to maintain a competitive advantage, process review has never been more important. If you want to drive a CX strategy and introduce new channels to your organisation, this practice simply can’t be ignored.

- **Incorporate process review into operational level agreements and service level agreements.** Build a process improvement barometer to track process reviews and the value they deliver.
- **Build analytics dashboards for each channel.** Avoid the one-size-fits-all approach of applying processes that work for the voice channel to other channels.
- **Consider commercialising process improvements.** Look at translating productivity and process waste into financial value, either in terms of cost or loss of revenue. This kind of return-on-investment model will help you understand and address opportunity costs, ultimately encouraging financial investment in this area of your CX operations.



7.15 First contact resolution returns as the top operational performance measure, while productivity-based metrics drop.

Net Promoter Score rises from sixth to third and solidifies its reputation as a crucial performance driver.

Performance measure	Rank		
	2016	2017	2018
First contact resolution (FCR)	1	4	1
CSAT/CX performance	2	3	2
Net Promoter Score (incl. positive referrals/feedback)	6	6	3
Average response times	3	2	4
Quality control/process adherence	5	5	5
Sales performance (incl. customer value/leads generated)	8	7	6
Workplace productivity (incl. efficiency)	4	1	7
Budget performance	9	10	8
Employee experience (EX)	7	9	9
Self-service completion/usage	12	12	10
Customer retention/churn	Not asked	Not asked	11
Other	11	11	12
Agent attrition	Not asked	Not asked	13

What are the top three metrics used to measure operational performance? n= 694

Strategic and operational measures more closely aligned

Reviews in recent years showed a significant discrepancy between the importance of CX-centric performance factors at a strategic or board level, and what was actually being applied by operational management. This year's results indicate a closing of this gap and a very encouraging alignment.

Top three metrics indicate focus in the right direction

Ease of resolution is deemed the most crucial element impacting CX, so, while not a direct indicator, the re-emergence of first contact resolution (FCR) as the top metric can only be judged positively. More significant is that CX and Net Promoter Score complete the top three measurements applied to track operational performance.

Service delivery more important than productivity

Getting service delivery right is seen to be more crucial than workplace productivity, which has dropped to seventh place, and this should see a more positive impact on CX taking hold.

No time for complacency

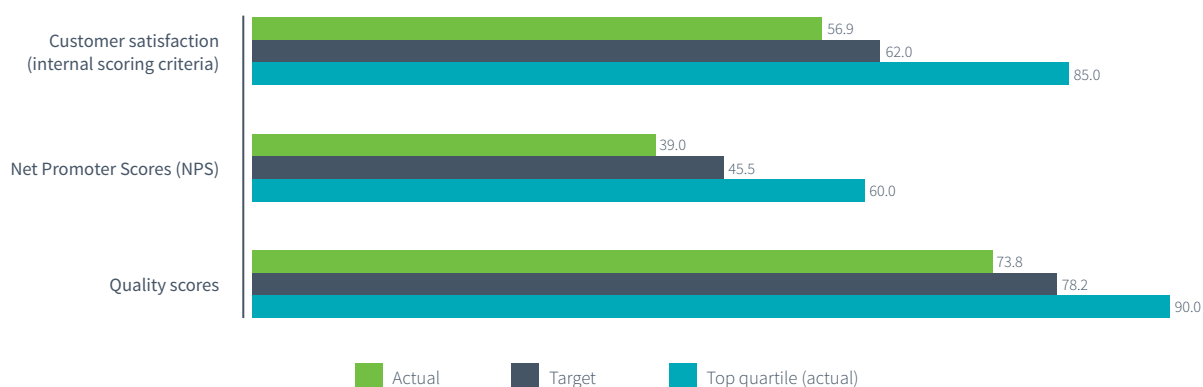
Even though the gap between strategic and operational measures is closing, organisations can't become complacent. It would be wise to build tighter controls into the performance management process, as the introduction of new channels could quickly create a divide.

- **Assess FCR accurately.** Make sure it's true FCR you're measuring, not simply repeat callers.
- **Look at different metrics.** Customer retention and churn are high on the strategic agenda. Think about how you'll measure this on channels other than voice, as traditional voice metrics may not be viable.
- **Measure support functions.** Consider how your support functions are being measured to support and enable both strategic and operational objectives.



7.16 Besides the top quartile performers, organisations are failing to meet customer satisfaction targets.

Net Promoter Score improvements (up to 39.0 from 34.0 in 2017) are driving results upwards, but traditional customer satisfaction and quality scores fall to a record low.



What is your actual versus targeted performance score(s) for? n= 320

Top quartile outperforming global average

Customer satisfaction and quality scores are often calculated using internal scoring criteria, which tend to lean heavily on business outcomes and aren't always balanced with what the customer deems a successful experience.

While it's important to be aware of such variables, it's also evident that organisations in the top quartile are delivering a quality of CX that's considerably ahead of the global benchmark, and that customer satisfaction results generally have been worsening of late.

Use of Net Promoter Score increases significantly

Net Promoter Score is an industry-recognised methodology and a somewhat more objective indicator of whether certain elements of CX are being achieved. It's seen a surge in usage as a key performance indicator, which has helped improve benchmarks and set more ambitious targets. This year's NPS results (and targets) are up by some margin from 2017.

Set realistic targets

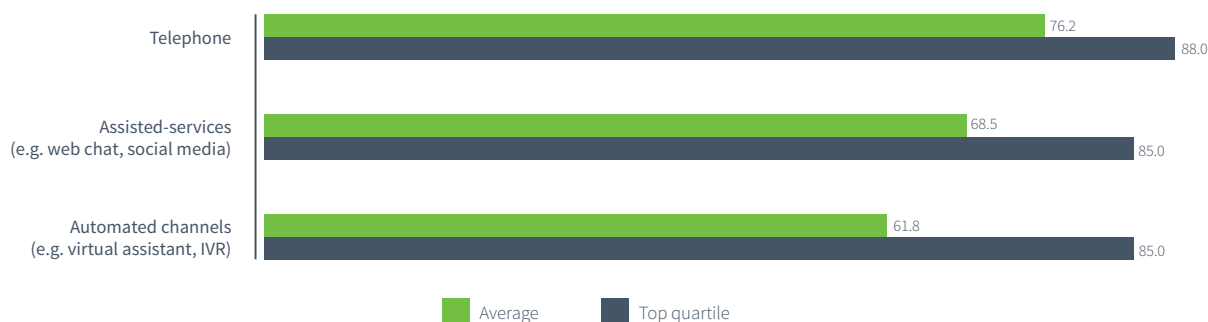
As mobility, customer knowledge, and customer demands increase, more organisations are recognising the importance of CSAT, NPS, and quality scores. Targets and expectations need to be realistic, and relevant to your industry, region, and organisational objectives.

- **Introduce CX measures to quality assessment scores.** Quality scores and NPS measure two very different aspects of performance. Customer measures can assist in proactively improving CX and NPS.
- **Implement sound management practices.** As digital transformation grows, ensure good management practices, such as quality assurance and business improvement, are applied across all channels to create a consistent level of service. Have the correct key performance indicators in place to encourage a sound CX culture.
- **Invest in technology that helps you obtain a single view of the customer.** You'll need a platform that allows you to connect all channels – voice, digital, social media, physical sites, and so on – so that customers don't have to repeat themselves when moving from one to the other.



7.17 Contact resolution rates for telephone remain flat at 76.2%; assisted-service and automated channels trail by 7.7% and 14.4%.

Top quartile performance levels indicate the huge opportunity available for most providers and the level they should aspire to.



What are your average first contact resolution (FCR) rates by channel type? n= 399

First contact resolution highest on phone

Just over three-quarters (76.2%) of enquiries handled by telephone will be resolved on first contact, a level that's remained relatively consistent for the past three to four years but is worse than the average performance 20 years ago. CX is often poorer on digital contact paths.

Top quartile have more consistent rates across channels



88.0%

Results from the top quartile highlight the 'art of the possible'. While their performance is not streets ahead, FCR rates do reflect a more consistent service (85.0% for assisted-service and automated channels; 88.0% for telephone) – consistency that's likely to help increase the adoption and use of channels.

Results show sector and regional variations

As in our previous surveys, there are indications of some exceptional performances on certain channels from different sectors, and some noticeable fluctuations among regions and operation types.

FCR shouldn't be measured in isolation

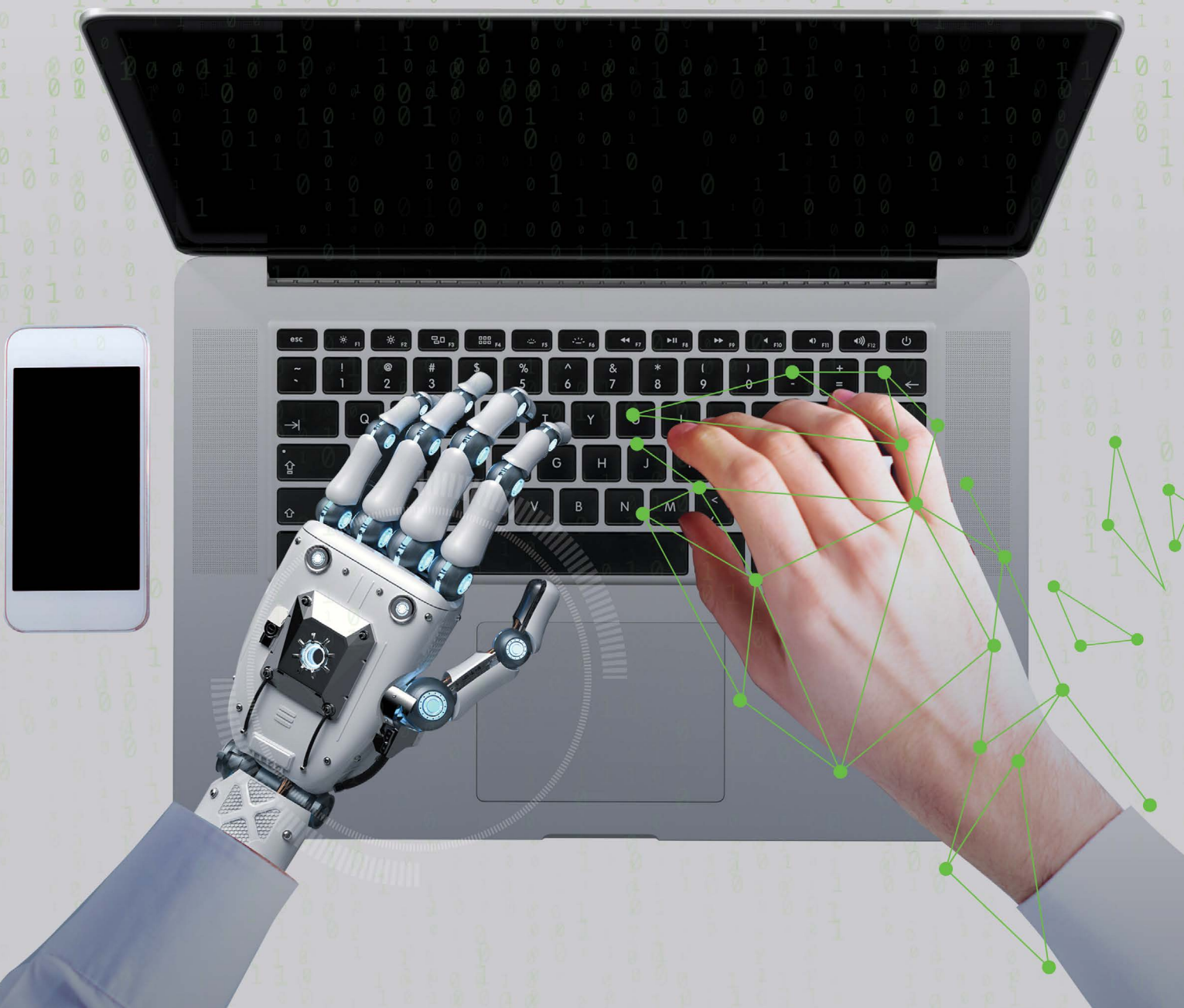
FCR for telephone contact can't be taken in isolation, as customers may have used, or attempted use, other channels before making contact on the voice channel. In contact centres, FCR data should be linked with corresponding call disposition codes (codes that classify the final outcome of an inbound or outbound call) to obtain a true value for this measure.

- **Improve agent knowledge across channels.** The more agents know about the systems, products, and business value offered on different channels, the easier it will be to support a sustainable FCR result.
- **Set realistic FCR targets.** Keep industry, regional, and organisational objectives in mind so you get the best possible outcome for your organisation.
- **Get predictive to be proactive.** Combine predictive analytics with a knowledge-based system so agents are equipped to resolve not just the current enquiry, but the next two or three as well.



Spotlight on cybersecurity

We included several new questions this year to gauge how organisations are perceiving and responding to cybersecurity issues. This overview of the findings reveals something of a trade-off for organisations investing in further digital solutions: while most agree this will increase the risk of cybersecurity threats, the same automated systems may also help mitigate other risks.



Spotlight on cybersecurity

Top 3 cybersecurity threats:

1. **ransomware, viruses, and trojans**
2. **phishing and social engineering fraud**
3. **identity theft**

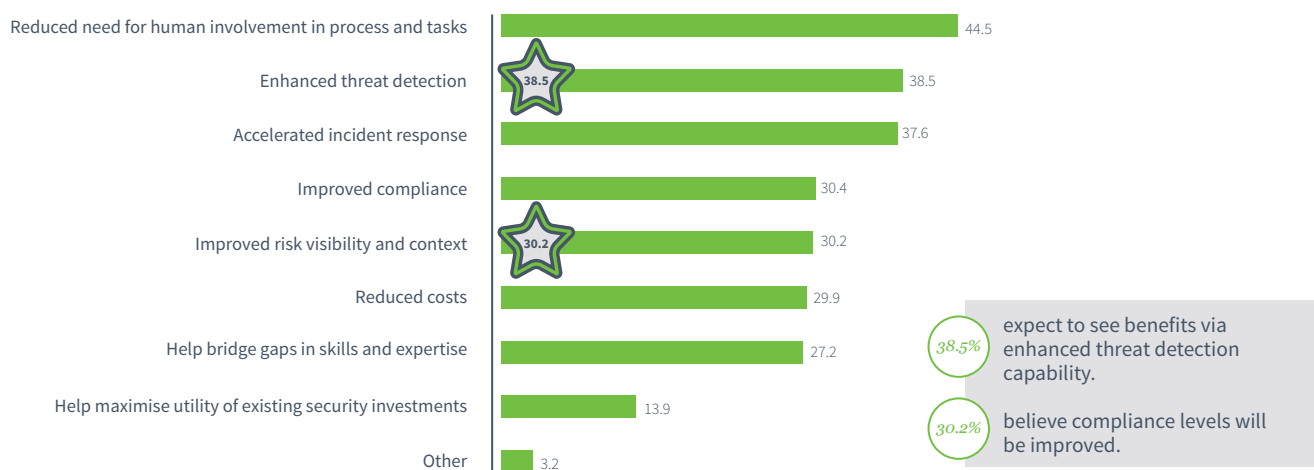
Trade-off between introducing new threats and opportunity to improve risk management

With robotic automation and AI set to surge by 2020, almost half (45.4%) of the organisations surveyed are concerned about the attendant cybersecurity risks. Nearly one in four (22.3%) say cybersecurity threats associated with new digital channels are a key challenge and could slow down digital transformation.

That said, the findings do reveal a 'give-and-take' scenario: while cybersecurity is seen as a core risk for organisations that want to introduce new AI and service automation technologies, the trade-off is that they also expect those same systems to mitigate certain risks by reducing or eradicating human intervention.

In addition, over a third (38.5%) anticipate that automation will help improve their threat-detection proficiency and compliance, give them greater visibility of where risks may occur, and accelerate incident response times (Figure 1).

Figure 1: Anticipated impact of AI and machine learning on cybersecurity



What do you think will be the main impact of AI and/or machine learning on cybersecurity? n= 789

A limited understanding of the organisation's risk profile is cited as the most common barrier to deploying better security systems, followed by poor alignment between business and security strategies, and being unable to articulate cybersecurity risk in commercial terms.

Current technology systems adequate but won't meet future needs

For now, 79.2% are comfortable that they have adequate cybersecurity technology systems in place. Looking ahead, though, 81.2% say these systems will fail to meet future needs.

A limited understanding of the organisation's risk profile is cited as the most common barrier to deploying better security systems, followed by poor alignment between business and security strategies, and being unable to articulate cybersecurity risk in commercial terms. But 12.7% have made a calculated business decision to accept an element of risk in order to accelerate innovation and market opportunities (Figure 2).

Figure 2: Primary barriers to deploying better security systems



What are the primary barriers to your organisation's ability to deploy better security systems? n= 717

Network-level countermeasures dominate threat-prevention practices. Over half of the organisations surveyed believe that implementing new or upgraded authentication and access controls will help improve their cybersecurity protection.

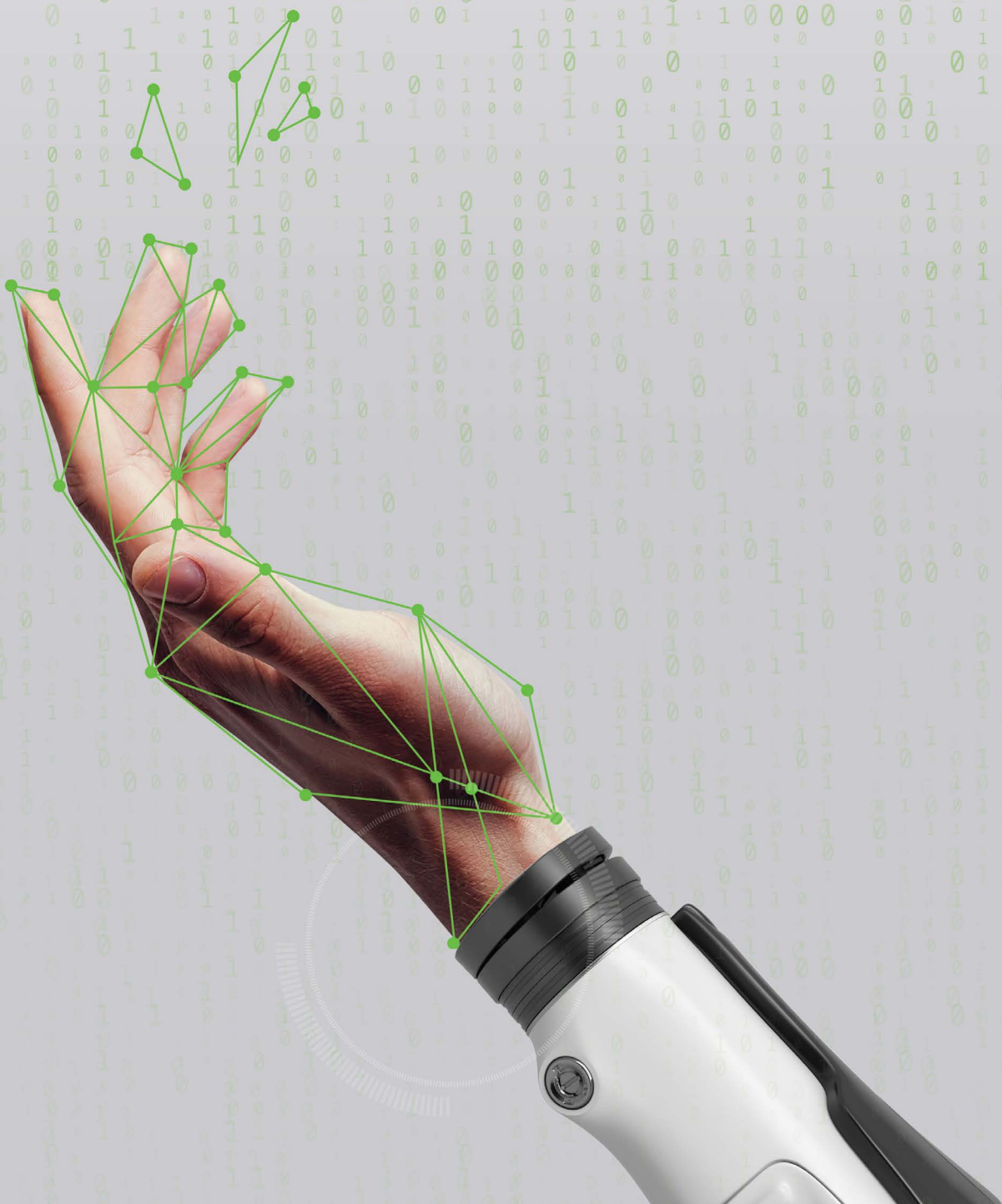
However, 21.2% see a need for next-generation antivirus software and 28.0% believe they require better encryption systems.

Unless it's well managed, cybersecurity will be a high-profile showstopper for digital transformation

Organisations seem to view cybersecurity and threat management more as a prerequisite than a challenge. With General Data Protection Regulation (GDPR) compliance receiving significant attention this year, organisations will need stringent controls in place to ensure that innovation and digital transformation don't take place at the expense of security and the customer's right to privacy.

Regional hotspots

Having looked at the trends and insights in this year's report, we present a narrow sample of regional variations in some of the key themes.



Accountability for CX

Australia and New Zealand prioritising review of operating models.



56.4%

Today, 56.4% of organisations globally say they have a single person accountable for CX – down from 63.9% in 2017.



48.7%

In Australia and New Zealand, that figure is 48.7% (65.4% in 2017).

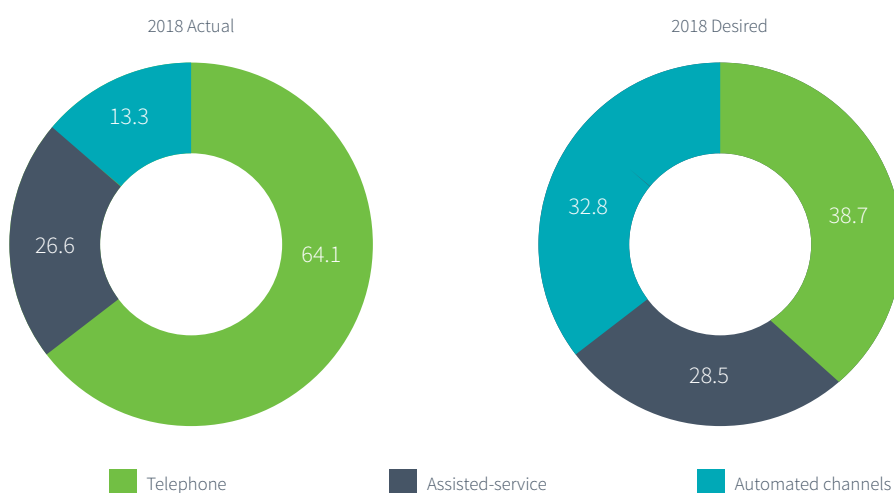
More than a quarter (25.3%) have a separate manager for each channel and a significant 20.4% (just 12.6% globally) say ownership for CX is unclear.

This **'siloed' approach hinders both digital and workforce optimisation**, making it difficult to execute the strategic desire to transform.

Encouragingly, organisations in the region are placing more emphasis on reinventing their operating model than those in other parts of the world, in order to reshape their CX capability (ranking it a top-five focus area that will reshape CX in the next five years): a step in the right direction, as **operating models will need to be reviewed as organisations transform digitally**.

CX transformation reality

Europe adjusting channel interaction targets.



What is your actual versus desired split of interactions? (Europe data shown as percentage)

There's clear evidence that **organisations in Europe are pausing to reconsider CX strategies and the effectiveness of certain digital channel contact options**. From 2017, the percentage split of assisted-service interactions has fallen from 27.3% to 22.6%, and automated channels dropped from 17.7% to 13.3%. Organisations in Europe are adjusting their views on

what's achievable. The most significant change here is the target to drive a more realistic 32.8% of interactions through fully automated channels, down from 35.4% in our 2017 report. This has resulted in a 16.8% increase in the volumes organisations would like to see handled over assisted-service channels, but just a 3.7% decrease for telephone volumes.

Employee engagement in delivering CX

Middle East & Africa (MEA) more reactive than proactive when delivering CX services.



50.2%

Employee engagement in CX is reactive, driven by an organisation-wide culture framework.



14.1%

Minimal employee engagement in CX – it's not a focus of corporate culture.



27.0%

Employee engagement in CX is proactive – there's a focused culture and employees actively 'live the brand'; voice of employee is recognised and measured.

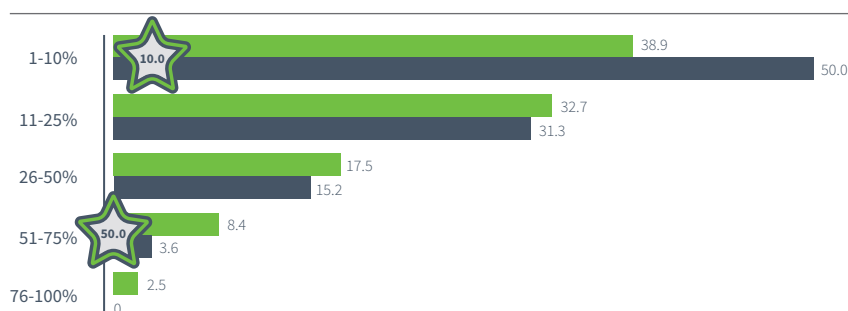
While the pattern of employee engagement levels in CX is generally consistent globally, there are some distinctions. **In the MEA region, employee engagement in CX is primarily reactive**, with only 35.7% (42.4% globally) of organisations adopting a proactive approach where employees actively (some enthusiastically) live the brand as they deliver CX services.

Overall, employee engagement levels in the delivery of CX are at their highest at physical-site CX operations, such as retail outlets and high street offices, where emotional involvement in the solution (and likely also its design) is at its most obvious.

Conversely, **companies in MEA buck a global trend, as their in-house operations tend to perform better than outsourcers** on driving CX through employee engagement.

Automation of agent-led CX activity

Americas taking a more conservative view on automation.



10%

Half say up to 10% automation in 2 years.

50%

are willing to accept an element of risk in order to accelerate business opportunities.

What percentage of your CX activity, currently supported by live agents, do you realistically believe will be fully automated within the next two years? (Americas data)



88.3%

Robotics and AI are two of the areas organisations in the Americas region say will **grow most** during next year, with 88.3% of organisations (88.0% globally) projecting increases in these channels.

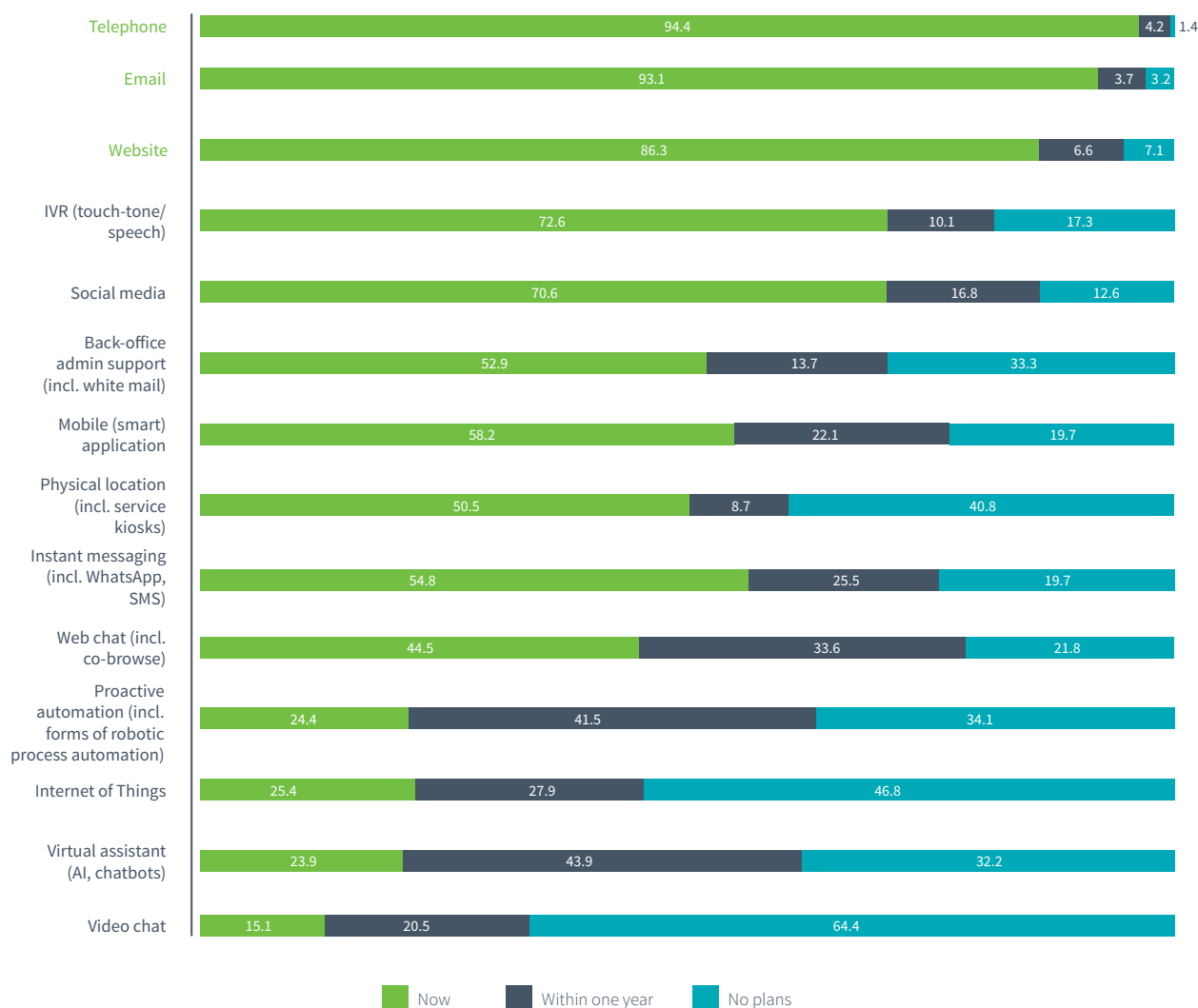
For many, the key question is **how much CX activity currently supported** by live agents will realistically **become fully automated** once AI or robotics are implemented. The answer for half of organisations in the Americas already planning these solutions, is: 1% to 10% in the next two years.

Around one-third believe that 11% to 25% is possible.

Globally, 8.4% say between 51% and 75% is possible by mid-2020, a figure that drops to 3.6% in the Americas but rises to 18.1% in Asia Pacific.

Channel choice

Asia Pacific customers have a broader choice of channels.



Please select the service channels you provide now, or have planned. (Asia Pacific data)

The average number of service channels offered by CX providers has levelled out for the first time since 2013. This year, the majority of customers in **Asia Pacific can still expect to engage across combinations of nine channel types** (against seven globally).

Many organisations will resume broadening their channel spread from the second half of 2019. The majority in Asia Pacific say they plan to offer 13 channels (12 globally).

The top growth areas for Asia Pacific in 2019 are AI – through virtual assistants and chatbots – proactive automation, and web chat. Implementations of Internet of Things are set to double, and video chat is forecast to increase by 135.8%.

Challenges and issues

Bridging the artificial reality gap starts with bridging gaps within the organisation: between strategy and operations, investment and implementation, and, most importantly, between people.



Organisations struggling to secure a return on their investment in new digital channels

Despite significant investment in new digital channels, many organisations aren't seeing a corresponding improvement in commercial performance. The poor design and implementation of these channels has resulted in shortcomings in functionality and what customers perceive to be a sub-par experience – certainly one that's inconsistent when compared with traditional channels.



While there are many examples of effective digital applications, our findings show that, often, the digital solution has not been effective enough to replace interacting with a person.

Channels operated in silos and tracked independently

As the number of channels grows, many organisations are falling into the trap of silo management: 33.4% continue to manage their CX solutions in individual business units and 32.8% say separate business units collaborate to design a common CX across interaction types and touchpoints.



33.8%

A further 33.8% have centralised decision making for CX.

Almost one in five are operating without a formal CX strategy and over half say overall accountability and ownership for CX is unclear.



56.4%

While 56.4% have a single person accountable for CX in the organisation (down from 63.9% in 2017), just 30.4% say accountability for CX resides in the C-suite (down from 35.6%).

The result is the fragmented and disjointed tracking of customer journeys, user behaviour, and channel performance: a situation that's made worse by systems integration issues and trying to make sense of data coming from different sources, in different formats.

All this combines to make it extremely difficult to get a single view of the CX journey across all engagement channels – a view that's vital to developing that all-important CX strategy.

Limited review and measurement limits progress and improvement

Resources and budgets are over-stretched as the drive towards digital business transformation intensifies, yet inefficiencies created by poor channel design and management affect both customer effort and the cost to serve.



With very little process review taking place, organisations are unable to identify process blockages, quick wins and ways to improve ease of resolution

They also find it difficult to measure costs per transaction: information that's critical to devising contact management strategies that incorporate the business value and service user benefits of each transaction type, by channel.

CX-centric strategies still not quite at the centre



As we noted in our e-book, **The Evolution of CX: A Look Ahead to 2020**, 'successful CX is less about technology, and more about adopting new business strategies and customer-centric attitudes.'

It seems there's still some work to be done in shifting attitudes and operating models to being truly CX-focused.

Despite significant attention being given to CX-related performance metrics at board and executive level, commercial performance factors such as cost savings and return on investment tend to dominate the criteria used to evaluate the effectiveness of new technology systems.

Even measures of CX itself – customer satisfaction and quality scores – are often based on internal scoring criteria. While these are useful, they need to be balanced with what the customer deems to be a successful experience.

Being able to demonstrate improvements in customer satisfaction and loyalty will also assist in proving a return on investment and securing executive sponsorship and funding for future projects.

Where to start bridging the gap

In many organisations, the level of influence CX stakeholders have on technology systems isn't where it should be. Operations are hindered by an organisational approach that sees CX teams having little or no involvement in the design of CX technology solutions – and even fewer involved in approving these.

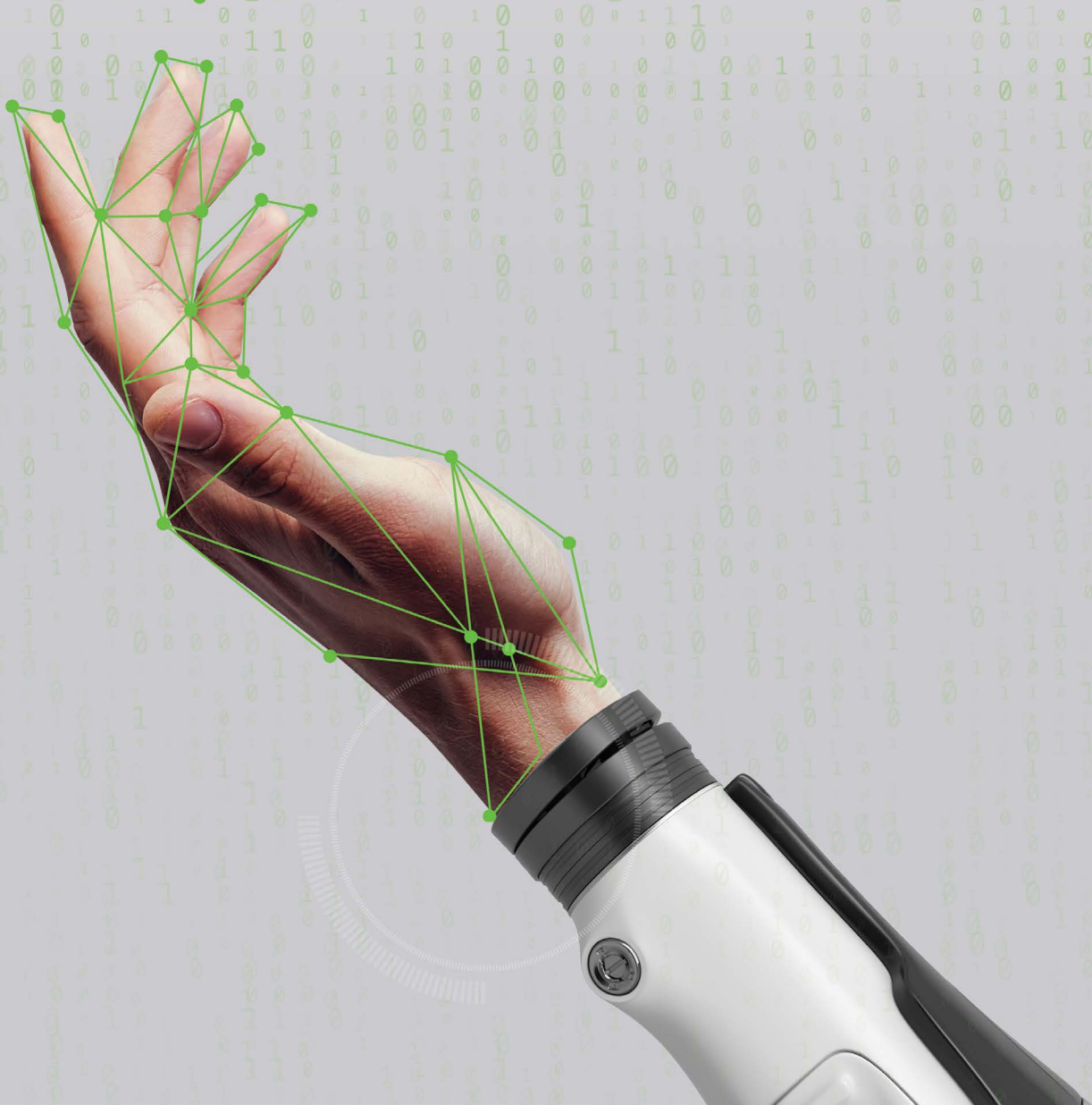
In our experience, aligning all CX stakeholders and key IT teams is often the biggest challenge to CX transformation.



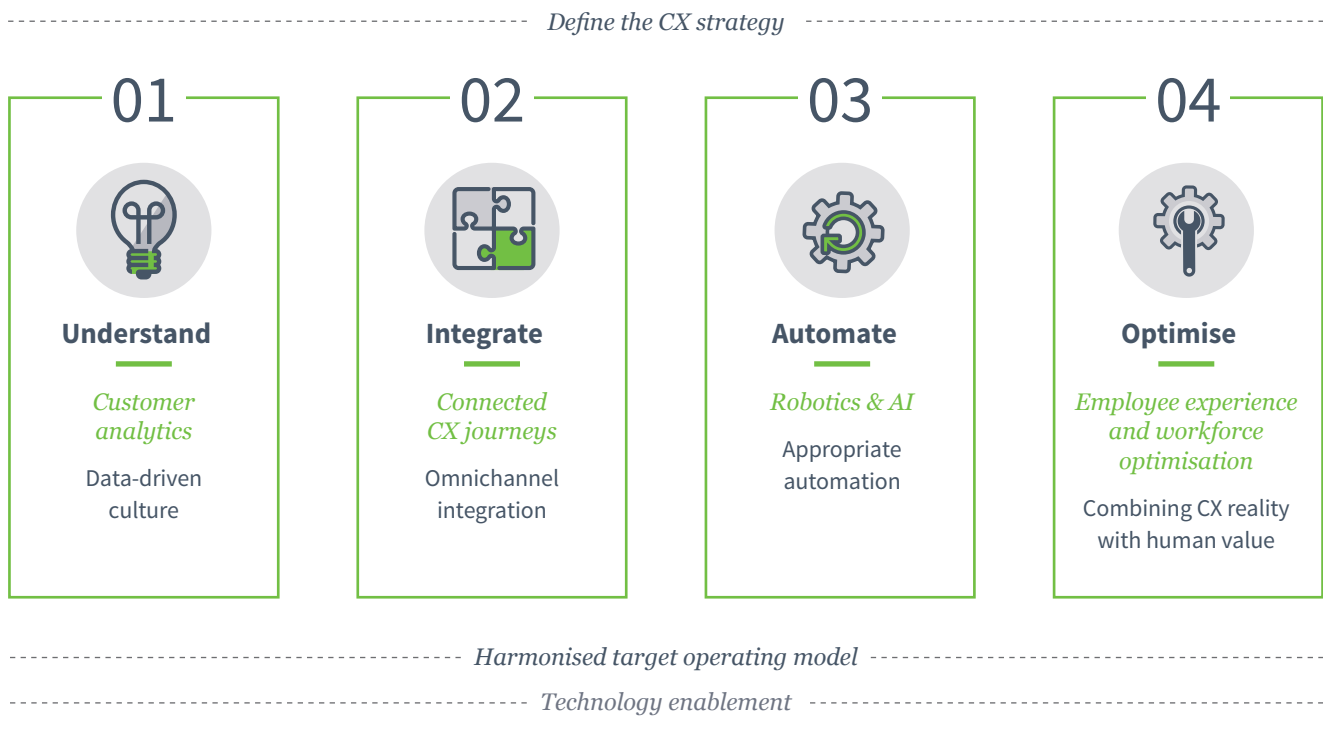
Bridging the artificial reality gap may well start with bridging the gap between these teams, so there can be agreement on the best way forward and a single CX strategy that reaches into every area of the organisation.

Steps to success

With budgets under strain and pressure to show a clear return on investment in CX initiatives, many organisations are pausing to reflect before taking the next step. Here, we look at three critical success factors to bridging the artificial reality: the CX strategy, target operating model, and technology enablement. We then identify four steps to success that will help organisations do more with what they already have – budget, resources, technology, data, or all of the above – to obtain a clearer view of where to invest their efforts as they work towards closing the gaps.



Conclusion – 4 key steps to success



CX success factors

Top-performing organisations are optimising their existing resources by combining technology and empowered agents to best effect to improve average handle times and reduce the cost to serve.



CX strategy

We've made this point before but it's worth repeating because this really is the crux of successful CX: it's less about the technology you implement and more about fostering customer-centric business strategies and attitudes.

This year's survey results show there's still some way to go in having every area of the organisation aligned with a clear, coherent CX strategy that's truly focused on the customer.

This starts with bringing all areas of the business into the same room (metaphorically speaking) so they can collaborate on defining and designing a CX strategy that can be applied in every area of the organisation. For this exercise to yield the best results, having both IT and CX, or operational, teams in the room is a must.



Harmonised operating model

Organisations are being compelled to reinvent their target operating models in order to optimise the workforce around implementing the CX strategy. Rethinking the operating model and organisational structure is considered the second-most important factor that will have a positive impact on workforce optimisation ... yet, less than half say their strategy and operating models are aligned to optimising CX.

New operating models will see clear organisational ownership of CX – for example, appointing a single person to be accountable for CX across the organisation, and ensuring the right structure and processes for delivery. This will help to create an organisation-wide view of CX and a coherent CX strategy.

In addition, mapping and regularly reviewing customer journeys will help deliver a consistent CX across business areas and contact channels, and highlight organisational and system challenges.



Technology enablement

Legacy systems and integration issues remain the top challenge affecting CX technology. Another challenge here is being able to secure budget for technology systems.

Having a clear digital strategy that shows how technology solutions will meet user needs, and therefore encourage the uptake of digital channels, will help to allay fears of making poor decisions or going down the wrong path. Involving CX teams in the design of technology solutions will assist here.

Regular post-implementation reviews will help to determine whether all project objectives have been met. It's just as important to include customer satisfaction metrics as it is to use cost savings and return on investment as a measure of success in these reviews.

4 steps to success



1. Customer analytics

The importance of analytics to CX has been a recurring theme in this year's findings. Analytics promises to transform data into market intelligence that organisations can use to differentiate themselves from competitors. It's also the means to offering personalised services to customers and delivering highly customised interactions. 'Proactive' and 'predictive' are the keywords here.

To gain an in-depth understanding of the big data available, tracking systems should be implemented across channels and customer touchpoints, rather than in silos. This will help to generate intelligence that can be shared across the organisation to effect change.



2. Connected CX journeys

A full omnichannel strategy is a reality for just 7.2% of organisations – those who say they have a clear value proposition that includes investment and return criteria – and just 8.4% have all channels connected. Consistency rather than connectedness seems to be the focus now, with most looking to evolve their multichannel plans.

Whatever the solution chosen for the organisation, it's vital to have a formal channel strategy in place that's regularly measured and reviewed to ensure progress towards a consistent CX. Being able to track and map the customer journey across channels is critical.



3. Robotics and AI

The impact of automation can have profound effects on productivity and CX. We've noted how costs, cybersecurity, and potential negative customer feedback are big areas of concern for organisations when it comes to AI and robotics. Yet, if implemented and managed well, these technologies can help to address some of these risks and deliver the promised benefits of improved CX, customer analytics, and business intelligence.

Having a clear business case for AI, robotics, and automation will help organisations evaluate and deal with areas of exposure.



4. Employee experience and workforce optimisation

The top drivers of new working practices and organisational change relate to the human element – and right at the top of the list is the impact of employee satisfaction on CX. Recognising the importance of agents as difference-makers, most organisations are now open to new, employee-centric operating models.

Being able to measure employee engagement will help organisations better understand the relationship between employee experience (EX) and CX so they can adapt workforce design and working practices to enhance both.

Sample specification and research methodology

Sample specification

Our research is based on a probability sample of strictly random participants involved in the provision of customer experience (CX) services. The margin of error is \pm three percentage points at a 95% confidence level.

Annual global research study by Dimension Data

The findings of the 2019 Report are comprised of responses from 1,114 participants drawn from 59 countries and balanced across the Americas, Asia Pacific, Australia and New Zealand, Middle East & Africa, and Europe. The sample spans 13 industry sectors.

Research methodology

Participants are sourced from our own benchmarking database (which includes past participants, persons registering interest, website download forms, and visitors opting in to benchmarking communications) and research partner alliances. Our sample is further complemented by submissions from CX industry group partners (who invite their members to participate), and advertised through social media and other web-based channels.

The research data is gathered via an online questionnaire, where participants are navigated intelligently through the survey questions based upon their responses and services capability. The 2019 Report is based on research that was collected from mid-April to mid-July 2018.

Research team

Data integrity, validations, and analysis are performed by Dimension Data's in-house Primary Research and Benchmarking Team. Results are validated in accordance with standard market research rules. We conduct a series of robust data integrity checks that include validations of participants' response content, separate outlier assessments across data points, and result authenticity, before submission towards a final dataset.

Data and trend analysis are framed to provide key findings on the research, with exceptions assessed at 10 levels, alongside due reference to historic trend patterns. We also provide context on what the results mean, and predictions on future trends. We offer recommendations towards best practice approaches, validated by industry-recognised subject matter experts, that are designed to accelerate positive business transformation through enhanced CX performance.

21 years of trends, performance analysis, and best practice techniques

The Report comprises seven core chapters, supported by an executive guide. We analyse over 950 data points across more than 80 charts. We review the

benchmarking questionnaire annually and refresh survey topics, questions, and response options to balance historical reference points with the latest focus areas and emerging trends.

Benchmarking Portal

Typically presented as global statistics, all of the data in the 2019 Global CX Benchmarking Report can be accessed interactively on our online Benchmarking Results Portal for a more customised view. The Portal enables multidimensional filtering of the data, for example, by region, sector, and size, or at any time, by a single filter.

Our exclusive Benchmarking Results Portal allows data to be filtered at 10 different levels, including geography, sector, brand positioning, services provided, and operation type, and against historic data trends.

Participant benefits

Each participant completing our annual benchmarking questionnaire receives:

- a free electronic copy of the 2019 Global CX Benchmarking Report, valued at USD 1,850
- access to personalised benchmarking results via an online Benchmarking Results Portal
- year-round benchmarking assets including vertical report summary presentations, and infographics.

View all the latest insights and more at www.dimensiondata.com/insights/cxbr2019

Privacy and data security

Your privacy

We stringently protect all data and ensure the privacy of all participants' information. The data is aggregated and is able to be viewed via a single or combination of ten filter views. No personal or filter company-specific data is ever referenced or disclosed. Our full privacy policy can be accessed at www.dimensiondata.com/en/privacy-policy.

Data security

The security of participants' data is extremely important to us. To ensure confidentiality and security, the data is hosted in secure data centres. Data is used only for the purpose of research and is accessible only by the benchmarking research team, in line with our privacy policy.

Referencing the benchmarking results Copyright

We want our benchmarking content to be accessible and easy to reference. Limited content from the Global CX Benchmarking Report may be reproduced or used in extracted form, as long as the material is fully credited as 'Dimension Data's Global Customer Experience Benchmarking Report', ©Dimension Data 2015 - 2019. Please refer to our copyright statement on page 2 for details.

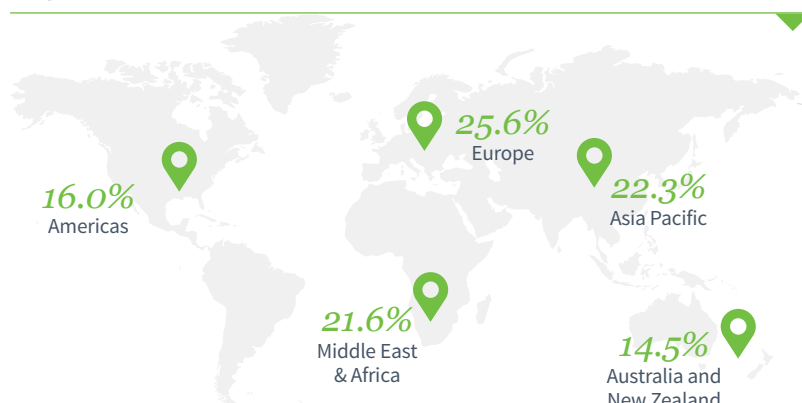
Sample infographic

 **1,114**
participants

 **59**
countries

 **13**
industry sectors

Regional representation



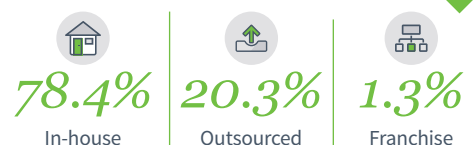
Representation by industry



Operation type



Operator type



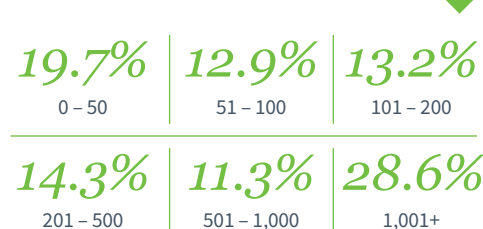
Customer type

	B2B	B2C
Customer services	17.8%	59.1%
Sales	6.7%	8.7%
IT helpdesk	4.2%	3.5%

Brand positioning



Number of employees



Representation by role



About the Global CX Benchmarking Report

The report is an annual research study encapsulating more than 20 years of CX insights and trends. Frequently cited by industry analysts and quoted by the media, it's widely acknowledged as the most useful, authoritative, and comprehensive report of its kind. It's designed to provide a single point of reference on key aspects affecting customer interaction management within today's CX industry. We believe it's the most extensive global overview of its type.

'The annual release of the Dimension Data Global CX Benchmarking Report is a highly anticipated event in the customer experience world. For over 20 years now, it has offered the definitive global view of how technology is changing CX for both customers and companies. With the current explosion of devices and interaction channels, its insights are more valuable than ever for companies seeking to understand how to plan their next CX moves.'

- Sheila McGee-Smith (Analyst)

Throughout its 21 years, the report has provided data that the industry has used to:

- support business planning (and build strategy)
- pinpoint problems using data insights and spot areas that are falling below competitor levels (and close the gaps)
- identify best practices and benchmark company performance against top quartile results (and set targets aligned to the company's vision on performance)
- validate performance, trends, and directions taken by peers, and develop objective yardsticks (and compare results)
- get buy-in for change by using relevant reference data to validate a business case, new spend, and/or transformation to a CX capability (support change)

About the CX Benchmarking Portal

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Our exclusive Benchmarking Results Portal allows data to be filtered at 10 different levels, including geography, sector, brand positioning, services provided, and operation type, and against historic data trends.

About Dimension Data Customer Experience

Create valuable relationships with customer experience (CX)

Dimension Data helps you deliver an experience-centric CX strategy that understands, integrates, automates, and optimises your customer experience to create more value for your customers and business.



Investment in CX

750 dedicated CX experts around the world



Market citizens

34 years of leadership transformation and innovation



Trusted delivery capability

700 clients globally with over 100,000 seats



Leading multivendor partnerships

Highest levels of certifications with the industry's leading technology partners

We believe in the possibilities of the digital world. We accelerate your ambition. We help you do great things through the use and adoption of technology. We're Dimension Data, a leading global systems integrator and managed services provider for hybrid IT.

Contact our advisory services team to develop a CX strategy, enabled by the right technology, that works for your customers and delivers business results.